



# Annual Report

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# 2023

# About this report

**The Namibian Stock Exchange (NSX) is pleased to present its 2023 Annual Report, which describes our contributions to our members, listed companies and investors.**

2023 was an exciting year for the NSX as we announced our full membership of the World Federation of Exchanges (WFE). Read more on page 7. This is another step towards achieving our strategy and aligning with best practices in the exchange industry. We are optimistic about Namibia's future and the role that we can play in unlocking our country's immense potential.

This Annual Report provides insights into the performance, activities and engagements of the NSX and its subsidiaries for the financial year from 1 January 2023 to 31 December 2023. This report is aimed at NSX member firms, listed companies, regulators and other stakeholders interested in understanding Namibia's financial markets.

The NSX has begun a journey to apply integrated thinking as a step towards producing an integrated annual report, which will, in time, align with the requirements of the internationally recognised Integrated Reporting Framework.

For more information or feedback on this report, contact [info@nsx.com.na](mailto:info@nsx.com.na).

## Key statistics for 2023

**N\$2,228 trillion**

total market capitalisation  
(2022: N\$2,280 trillion)

**N\$8,405 billion**

traded in the capital market  
(2022: N\$13,782 billion)

**N\$2,739 million**

in bonds nominal value traded.  
This includes N\$76.1 million trading on market for the first time

The Local Index increased  
**32.48%**  
(2022: 4.16% decrease)

while the Overall Index increased by  
**0.14%**  
(2022: 3.78% increase)

One new company listing on the NSX's Main Board (2022: 2 listings).  
There are currently

**49**

companies listed on the NSX  
(2022: 50)

Total net assets of the NSX and its Guarantee Fund now exceed

**N\$134 million**

(2022: N\$120 million)

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## Board approval

In accordance with Principle C9 – 3 of the NamCode, the Board of Directors (the Board) of the NSX acknowledges responsibility for the integrity, accuracy and completeness of this Annual Report. The Board assisted by the Audit, Risk and Investment Committee, endorse the disclosures made in this Report.

The directors have applied their minds to the report and believe that the information contained in this report is reliable and that it fairly presents the performance of the NSX.

The Board, as listed below, approved the 2023 Annual Report on 15 August 2024.



**Grant Marais**

Chairman, Independent  
Non-Executive Director



**Tiaan Bazuin**

Chief Executive Officer (CEO),  
Executive Director



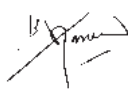
**Stefan De Bruin**

Independent Non-Executive Director



**Hans-Bruno Gerdes**

Deputy Chairman, Independent  
Non-Executive Director



**Bruce Hansen**

Non-Executive Director



**Penda Ithindi**

Independent Non-executive Director



**Debbie Smit**

Independent Non-Executive Director



**Madelein Smith**

Non-Executive Director



**Mark Späth**

Non-Executive Director

# A profile of the **NSX Group**

***The NSX is an engine of economic growth, development, and prosperity, playing a critical role in the development of Namibia's capital markets.***

Founded in 1992, the NSX is a non-proprietary voluntary association of rights holders licenced by the Namibia Financial Institutions Supervisory Authority (NAMFISA) to operate as Namibia's only registered stock exchange in terms of the Stock Exchanges Control Act of 1985 (SECA).

The NSX has 43 founder members and six stockbroking members (collectively referred to as the rights holders) who may attend general meetings of the association, elect the directors to supervise the NSX management and appoint the auditors of the NSX and its subsidiaries in accordance with the NSX Rules.

The NSX delivers value to listed companies and investors through its principal activities, products and services. It provides a platform for companies to list their equity or debt securities to raise capital and by offering investors a regulated trading platform with transparent price discovery. The NSX prescribes and enforces corporate governance best practices, which builds investor trust in the marketplace.

The NSX regularly engages with local, regional and international standard-setting bodies, policymakers and regulators, providing insights into policy and legislative initiatives that may affect the effectiveness and legitimacy of the Namibian capital markets.

## **Our vision**

The NSX's vision is to contribute to economic growth and prosperity by providing an efficient marketplace for companies to raise local capital and for savings to be used for the benefit and development of Namibia. The NSX will contribute to the integrity of market pricing through increased liquidity while protecting Namibia's macro-economic interests and building pride in Namibia's sovereignty.

## **Our mission**

The mission of the NSX is to enable, develop, diversify and deepen capital markets in Namibia. Working in partnership with stakeholders in Government and the financial sector, the NSX will:

- Make the investment in capital markets easier by providing a range of appropriate tradable instruments.
- Create and maintain an effective, regulated environment to allow Issuers of securities and investors to transact safely and securely.
- Contribute to the development of a supportive investment climate and culture in Namibia.

Established in

**1992**

Number of NSX  
Group employees

**13**

Founder  
members

**43**

Stockbroking  
members

**6**

Active  
subsidiaries

**3**

Dual-listed  
companies

**36**

## Our values

The following NSX core values guide the Group's daily activities and the way business is conducted:

<b>Integrity</b>	Acting with strong ethics is a priority for everyone representing the NSX as well as the organisation's behaviour as a whole.
<b>Honesty</b>	Honesty is a core business practice as team members strive to act in a transparent and trustworthy manner that earns the respect of colleagues, customers and the public.
<b>Fairness</b>	Treating all stakeholders in an impartial and just manner is an inherent role that the NSX ensures is carried out by colleagues and the organisation.
<b>Innovation</b>	The NSX implements new processes, ideas, services and products. This includes upgrades or new features added to existing products.
<b>Diversity and inclusion</b>	The NSX believes in the value of bringing different lived experiences and a range of backgrounds into a shared environment where everyone has equal opportunity.

## Regulatory frameworks and demutualisation

Namibia has one of the most sophisticated and developed financial systems in Africa. The local financial system comprises the Bank of Namibia as the central bank, seven commercial banks, a number of other banking institutions, a range of non-bank financial institutions such as insurance companies, pension funds, financial intermediaries in the form of stockbrokers and money market funds, and the NSX.

The Namibian financial system is regulated on a sectoral basis by two authorities. The Bank of Namibia regulates the banking sector under the Bank of Namibia Act, 2020 (Act No. 1 of 2020) read together with the Banking Institutions Act, 2023 (Act No. 13 of 2023). NAMFISA is responsible for regulating the non-banking financial institutions (NBFIs) under the Namibia Financial Institutions Supervisory Authority Act, 2001 (Act No. 3 of 2001) as amended, as well as any other laws that confers powers to NAMFISA. The Bank of Namibia collaborates with NAMFISA through existing regulatory and supervisory channels.

Local-listed  
companies

13

Exchange traded  
products

11

Total Government debt securities

**N\$74 billion**

## A profile of the NSX continued

NAMFISA was authorised to draft the 2021 Financial Institutions and Markets Act (FIMA) to consolidate and harmonise various financial sector acts, including the SECA. The FIMA was tabled in Parliament in 2021 and signed by the President in October 2021. FIMA was expected to come into operation on 1 October 2022. However, its implementation has been suspended indefinitely until the Minister of Finance and Public Enterprises determines the date on which it will come into operation.

The NSX participated in the debates and consultations related to the drafting of the Namibian Financial Sector Strategy. At the November 2012 consultative meeting of financial sector participants, NAMFISA announced that the NSX would be required to convert from a non-proprietary voluntary association of rights holders to a public company within 12 months of the enactment of the FIMA. This would mean demutualising the NSX.

Demutualisation will require the registration of a public company (with share capital) in accordance with the Companies Act, 2004 (Act No. 28 of 2004) and the transfer of the NSX's assets to the newly established company. At the 2015 NSX Annual General Meeting (AGM), the rights holders approved the principle of demutualisation in terms of the FIM Bill (known as such at the time) followed by a potential self-listing. The NSX is proactively preparing for demutualising, as it is an extensive process.

### Our rightsholders

In terms of the NSX Rules, rightsholders of the NSX are those persons, including companies, approved by the Board of the NSX, who hold at least one NSX right. There are two types of members – Founder Members and Stockbroking Members. The Founder Members are those rightsholders that donated N\$10,000 each to establish the NSX. The Stockbroking Members are those rightsholders that have purchased rights to be admitted as stockbrokers of the NSX.

Each Founder Member has one right, and each Stockbroking Member has six rights. The cost borne by a Stockbroking Member to acquire the six rights is reflected in NSX's annual financial statements. At year-end, a total of 78 rights have been issued to the rightsholders.

### What we do

The NSX Group provides Exchange Services, Issuer Services, Information Services and Regulatory Services for market participants.

### Exchange Services

The NSX provides an electronic marketplace for the primary listing and secondary trading of financial securities such as equities, exchange traded products (ETPs) and bonds (equities, ETPs and bonds together referred to as securities). The primary market serves companies that seek to issue (list) their securities for the first time, typically through initial public offerings. The secondary market serves investors who seek financial returns by purchasing listed securities.

The equities marketplace provides trading in equities. Products in this marketplace include primary and dual-listed ordinary shares, preference shares, special-purpose acquisition companies (SPACs), capital pool companies (CPCs), and ETPs such as exchange-traded funds (ETFs) and exchange-traded notes (ETNs).

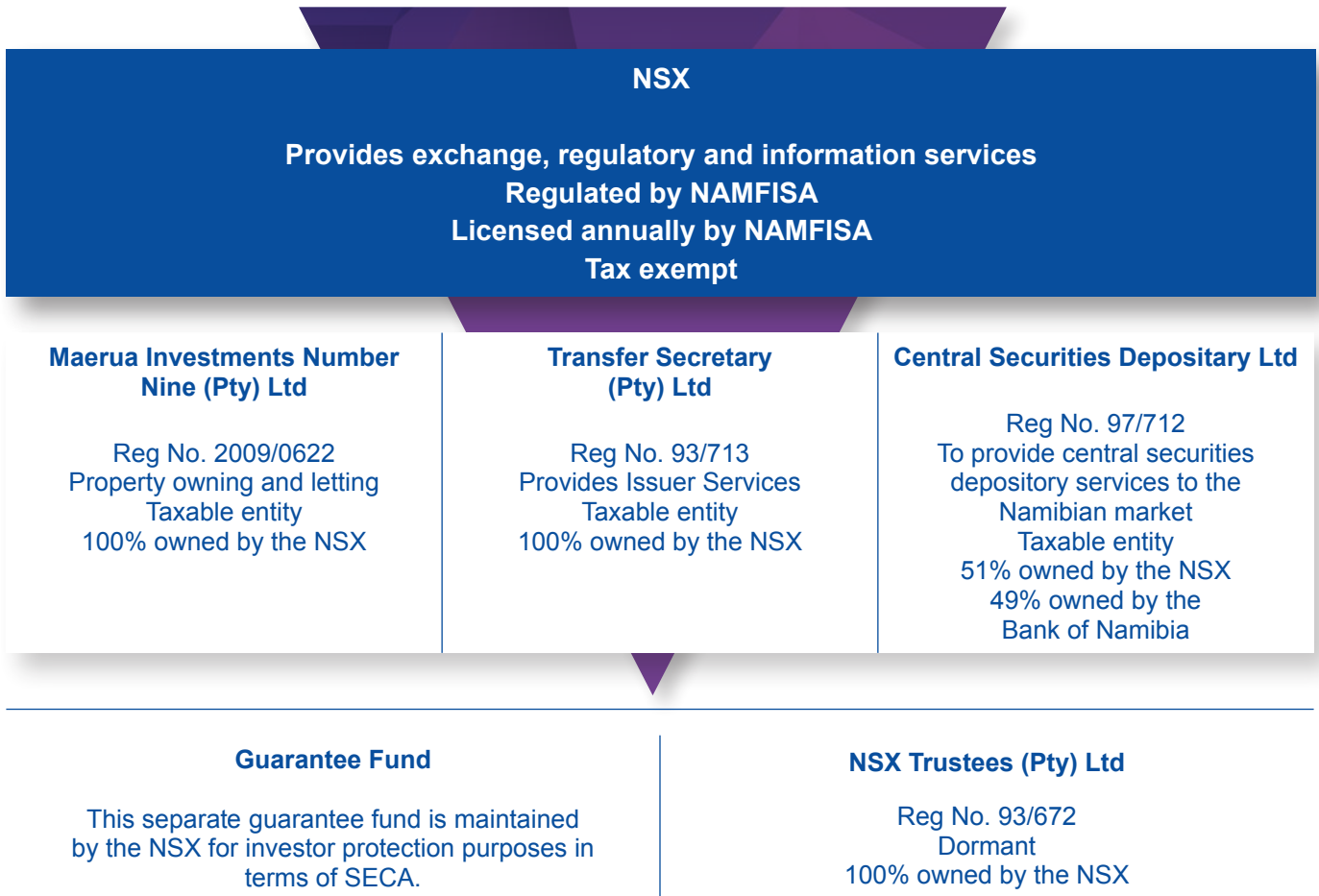
In addition, the NSX administers an Over The Counter (OTC) marketplace where unlisted shares of public companies are quoted (not listed) on the exchange allowing for the easy and transparent trading of unlisted shares.

The trading hours are 09h00 to 17h00, with a five-minute variation in the start and close times. The Exchange is closed for trading on weekends, South African public holidays and some Namibian public holidays. On Namibian public holidays, the Exchange's day-to-day operations are closed except for trading. Refer to the NSX website for trading and non-trading days.

### Equities

Main Board	Development Capital Board (DevX)	OTC Market
<p>Established in 1992</p> <p>49 companies listed at year end (26 dual-listed and 13 primary listed)</p> <p>The Main Board has primary (local) listed and dual listed securities, including exchange traded products (ETFs and ETNs).</p>	<p>Established in 2007</p> <p>8 companies listed at year end</p> <p>The DevX Board facilitates listings of promising new ventures and businesses that need funding to achieve their objectives. These include junior mining companies, CPCs and SPACs.</p>	<p>Established in 2013</p> <p>1 company seeking investment</p>

## Group structure



## NSX team



## A profile of the NSX continued

### Bonds

The bonds marketplace provides trading in debt securities, including bonds, notes, debentures, index-linked and credit-linked notes, asset-backed debt securities, green, social and sustainable bonds. This market includes Government-issued securities as well as corporate debt securities. Trading in bonds was entirely OTC until 13 October 2023, when the new electronic bond trading system was introduced.

#### Bond Market

Established in 1999

46 bonds issued at year end

### Information Services

The NSX publishes and disseminates information about trading, listed company information and general information about stock exchanges via the Namibian Exchange News Service (NENS) platform.

The NSX provides NSX-related information services, including market data, reference data, corporate actions, client data, indices, and statistics. At the end of each day, the NSX publishes information about the day's trading and has contracted with the Financial Times Stock Exchange (FTSE) to calculate various indices, each of which is a single number reflecting the price movement of its various components. At the end of each day, week and month, reports are compiled and distributed to subscribers, brokers, fund managers and other interested parties. The NSX also offers live data subscriptions.

### Regulatory Services

The NSX has a critical regulatory role in overseeing and regulating the activities and trading of its member stockbrokers, sponsors and listed companies. The NSX facilitates this function in accordance with the NSX Listings Requirements and the NSX Rules.

The Listings Requirements apply to companies seeking a listing for the first time, presently listed companies, all other securities that applicants may wish to list and those presently listed and, where applicable, to directors (as defined in each relevant section) of Issuers. An issuer is a legal entity that develops, registers and sells securities. Issuers may be companies, investment trusts, or domestic or foreign Governments. Issuers make available securities such as shares, bonds, and warrants.

The Listings Requirements contain the rules and procedures governing new applications, all corporate actions and continuing obligations applicable to Issuers and Issuers of specialist securities. They aim to ensure that the business of the NSX is conducted with due regard to the public interest.

The NSX Rules oversee, among others, the transactions and trading procedures of stockbrokers operating in the NSX marketplace, with the principal focus on detecting potential market abuse.



**The NSX ensures fair and orderly trading by setting rules and regulations that listed companies and investors must follow. This helps to protect investors and maintain market integrity.**

### Issuer Services

The NSX's subsidiary, Transfer Secretaries (Proprietary) Limited, provides Issuer Services for listed and unlisted companies. These services include:

- Registry and transfer services, including the maintenance of companies' share registers.
- Treasury services, for example, calculating and managing the disbursements of dividends, interest and distributions for companies.
- Corporate actions, for example, planning and managing rights issues, elections and dispersion of information on behalf of companies.
- Assistance with AGMs, including proxy facilitation or representation.

### Exchange technology

The global exchange industry increasingly relies on sophisticated IT systems for trading, clearing and settlement, data dissemination and recordkeeping. When the NSX was founded, the cost of an electronic trading system was prohibitive. Outsourcing the system to the JSE allowed the NSX to run off a low cost base and focus on business development, and not spend efforts on developing and running IT and trading systems. It also allows the NSX to use the JSE's world-class technology infrastructure.



## NSX admitted as a full member of the WFE

In June 2023, the NSX announced that it had been admitted as a full member of the WFE after being an affiliate member for 13 years.

The WFE Board, at their meeting in May 2023, approved the NSX's full membership application. The full membership application process included a series of due diligence review assessments, the submission of a candidacy paper to demonstrate in detail how the NSX aligns with the 13 WFE principles and an on-site inspection.

The on-site inspection was conducted in April 2023 by the WFE inspection team, who visited the Exchange and interviewed NSX management, NAMFISA, the Bank of Namibia, the Ministry of Finance, one listed company, one stockbroker, information technology (IT) vendors and partners to independently verify the veracity of the submissions made by the NSX.

The WFE is an international trade group which supports the interests of regulated securities exchanges around the world and promotes widespread access to financial markets and the soundness of the global financial system. It is the global industry group for exchanges and clearing houses (CCPs), representing over 250 market infrastructures, including 66 exchanges from across the securities and futures industry representing the vast majority of exchange-traded business, as well as clearing houses.

The mandate of the WFE is to contribute to the development, support and promotion of organised and regulated securities markets to meet the needs of the world's capital markets in the best interests of their users. The federation provides support to newer and smaller exchanges to develop markets which function according to federation member standards, contributing to global respect for the business practices of a well-run industry.

Membership of the WFE is an international investment criterion for many regulators and asset management institutions. Therefore, admission as a full member will allow more international investors, specifically international institutional investors, to invest in Namibian-listed securities without the typical due diligence required on the market, which has historically been a prerequisite to investing in Namibia.

The acceptance of the NSX as a full member underlines the WFE's belief that the NSX is committed to the WFE's prescribed business standards. There are currently 12 African stock exchanges with full membership status.

The NSX provides a market for trading in securities and financial instruments. The table below provides an overview of the major technology systems the NSX relies on.

MIT Millennium Exchange	STT Automated Trading System	Broker Dealer Accounting (BDA)
<p>Equity dealing is matched electronically on the MIT Millennium Exchange, which is maintained by the Johannesburg Stock Exchange (JSE). All dual-listed trades in securities conducted through the MIT Millennium Exchanges are settled through STRATE.</p> <p>Primary listed companies' trades in securities are settled on paper until such time that the Central Securities Depository (CSD) is launched.</p>	<p>The NSX launched a multi-asset bond trading system that was developed by Securities &amp; Trading Technology.</p>	<p>The NSX requires all stockbrokers to maintain their general ledger (exemptions are permitted) and client accounting through the BDA system.</p> <p>The system keeps the securities records and books of individual broking firms and client portfolio statements.</p> <p>The BDA system also provides world-class surveillance, allowing the NSX to track completed trades to client level.</p>
Millennium Surveillance	NENS	Market data Information dissemination technology
<p>The NSX relies on the Millennium Surveillance product suite to pinpoint any activity or set of activities that deviate from fair and ethical trading, with real-time market monitoring capabilities.</p>	<p>The NSX utilizes the SENS system, known locally as NENS (Namibian Exchange News Service), to distribute announcements from listed companies. This platform is also used for regulatory market notices and updates by the Exchange.</p>	<p>Market participant can subscribe to receive data directly from the NSX.</p>

## A profile of the NSX continued

### Custodian of the NamCode

***As custodian of the NamCode, the NSX continuously aligns with international best practices and issues Directives accordingly as and when the need arises.***

The NSX, with the assistance of the Institute of Directors in Southern Africa (IoDSA), published The Corporate Governance Code for Namibia (NamCode) in 2013. The NamCode caters for Namibian businesses that struggled to implement the King III Code. This is because the revised South African Companies Act differed significantly from the former 1973 Companies Act and the Namibian Companies Act, 2004.

The NSX, in its pursuit of enabling, developing and deepening capital markets in Namibia, aimed to create and maintain an effective, regulated environment to facilitate the way Issuers of securities and investors interact. This positively contributed to the integrity of market pricing based on sound governance standards. The NamCode was an effective response to the need to create a corporate governance code based on the principles contained in King III and other international best practices but adapted to suit the Namibian legislative landscape.

The principles of NamCode apply to all NSX primary listed companies as part of the Continuing Obligations under the Listings Requirements on an “apply or explain” basis. With the accession of the King IV Report on Corporate Governance in South Africa in 2016, the NSX issued a Directive requiring all NSX primary listed companies to comply with the NamCode on an “apply or explain” or King IV on an “apply and explain” basis.

In 2022, the NSX issued a NamCode Directive directing institutions that subscribe to the NamCode to appoint a Social, Ethics and Sustainability Committee (SESC) as an annual standing board committee. This caters for the evolving recognition and importance of environmental, social and governance (ESG) matters for investors and Issuers alike.

### Corporate social responsibility (CSI)

***The NSX’s CSI contributions are focused on improving the depth of skills and interest in the local financial market.***

The Chartered Financial Analyst (CFA) Programme is an international postgraduate professional certification offered internationally by the CFA Institute to investment and financial professionals. Namibia has a dire financial and investment skills shortage. In 2010 the NSX embarked on an initiative to increase capacity in the CFA profession by reimbursing the course fees of Namibians who successfully complete the course. The professionals must remain in Namibia for three years after the qualification is obtained. In 2023, the NSX reimbursed N\$120,283 to 5 CFA Programme participants (2022: N\$71,816 to 7 participants). Since 2010 the NSX reimbursed N\$1,312,100 to 61 CFA Programme participants.

The Namibian Scholar Investment Challenge is an annual competition for Namibian Secondary Schools and University students in Namibia. The challenge has received support over the years from a number of entities, with Old Mutual and FutureMedia sponsoring the competition for the past three years. The NSX allocates a budget for any shortfalls in the prize money and additional costs that may arise.

The NSX actively participates with stock exchanges all over the world and the CFA Society South Africa in celebrating International Women’s Day with a “Ring the Bell for Gender Equality” ceremony, with the theme for 8 March 2023 being “DigitAll: Innovation and Technology for Gender Equality”.

## Who we serve

***Effective engagement helps translate stakeholder needs into organisational goals and creates the basis for effective strategy development.***

The NSX serves and interacts with a variety of stakeholder groups, which include:

### Investors

The NSX serves a wide array of institutional and retail investors by providing a platform for creating wealth.

The NSX's full membership of the WFE will make Namibia's capital markets more attractive to international institutional investors.

### Issuers

The NSX offers a capital raising platform for Issuers looking to raise debt or equity capital. This includes our OTC market for companies that do not wish to be listed.

The Exchange offers an accessible and affordable route to listing and maintaining a listing.

### Government and State-Owned Entities (SOEs)

The NSX offers a platform for the Government and SOEs to raise debt to fund their development needs.

### The JSE

The NSX has a technology agreement with the JSE to access its world-class systems. 26 of the companies listed on the NSX have a primary listing on the JSE.

### Employees

The NSX's people are critical to the success of the NSX, achieving its strategic goals and delivering a high level of customer service. The NSX strives to create a culture that nurtures talent, embraces diversity and rewards performance.

### The Regulator

The NSX consults with NAMFISA to ensure well-regulated, efficient and secure capital markets where investors are protected.

### The Public

The NSX aims to encourage a culture of financial literacy and investment awareness among ordinary Namibians.

The NSX is proud of the successful Namibian Scholar Investment Challenge and its track record of encouraging young Namibians to invest in the stock market.

### Exchange industry

The NSX has working relationships with several exchanges and is a member of exchange associations including the African Securities Exchange Association (ASEA), the Committee of SADC Stock Exchanges (CoSSE) and partnership with the SSE. In 2023, the NSX was admitted as a full member of the WFE.

### Key milestones

**1992**

Namibian businesses and individuals formed a non-proprietary voluntary association of rights holders, each contributing N\$10,000 to raise the capital and start-up funds for a local stock exchange. Amendments were made to the 1985 Stock Exchanges Control Act, and on 30 September 1992, the Exchange was launched, with trading starting the next day. Activity on the Exchange began with dual-listings of bigger Namibian companies which had previously listed on the JSE and grew with more dual-listings of major financial institutions with extensive operations in Namibia. The official launch, by then Finance Minister Gert Hanekom, was on September 30, 1992, and trading began the next day in the shares of Nictus, a local firm already listed in Johannesburg, and on that day dual-listed in Namibia. The Namibian regulatory authorities also approved a licence for the NSX to list bonds and develop a bond market for Namibia.

**1994**

The first Namibian-only listings and capital-raising exercise occurred in 1994.

**1998**

Computerised screen trading was adopted from the start, and the NSX was the first exchange in the Southern African Development Community (SADC) to take up the JSE's offer to make use of its electronic trading system (JET system) in November 1998.

**2002**

The NSX launched the Namibian Scholar Investment Challenge to raise awareness of financial markets and investment in listed shares among the many participants drawn from a broad cross-section of the Namibian population. The annual competition continues to attract headline sponsors and entries from university students and secondary school learners from grades 10 to 12. Read more on page 19.

**2010**

The NSX becomes an affiliate member of the WFE.

**2013**

The NSX, with the assistance of the IoDSA, published the NamCode.

**2014**

ETFs were introduced as a new asset class. ETFs were first developed in the United States in the 1990s as a way to provide investors with access to passive, indexed and low cost funds.

**2023**

In June 2023, the Exchange became a full member of the WFE. Read more on page 7. In October 2023, the NSX launched its new electronic bond trading system.

The NSX was awarded the Best Stock Exchange Management Award for Africa by Capital Finance International. Read more on page 16.

**2021**

The first state-owned company, Mobile Telecommunications Limited (MTC), successfully listed on the Main Board of the NSX in November 2021, raising N\$2,541 billion and bringing more opportunities to the market. This was the largest capital raising on the NSX.

**2020**

The NSX contributed N\$100,000 to the COVID-19 task force to reduce the spread of the virus. The funds were allocated to improving the water supply and sanitation for communities living in informal settlements.

**2017**

The NSX introduced CPCs and SPACs in the equities marketplace, with listings in this regard being placed on the Development Capital Board. There is one CPC listed on DevX, and two companies that moved to the Main Board after success in acquiring viable assets, namely Paratus Namibia Holdings Limited (formerly Nimbus) and Alpha Namibia Industries Renewable Power Limited (ANIREP).

**2018**

The NSX introduced green and sustainability bonds in the bond marketplace, with the first green bond issued in 2018 and redeemed in 2021. Five green and sustainability bonds were issued in 2021, 2022, and 2023, all of which were oversubscribed.

**2016**

The NSX signed a partnership with the United Nations Sustainable Stock Exchanges Initiative (SSE). The aSSE initiative aims to provide a global platform to explore how exchanges can enhance performance on ESG issues and encourage sustainable investment, including the financing of the UN Sustainable Development Goals (SDGs).

The International Finance Corporation (IFC) issued the first tranche of the Namib Bond on the NSX. This was the third bond issued by the IFC on the African continent through its Medium Term Note programme. This was the first bond by a non-resident Issuer in Namibia.

# CHAIRMAN'S report

***It is an honour to present my first report as the Chairman of the NSX. As we embark on the next phase in our evolution, I call on the Board and Management to consider longer-term future thinking to position the Exchange for adaption and growth.***

For the NSX, the year 2023 was characterised by positive momentum with our major strategic initiatives. A major milestone was joining the WFE as a full member. As a Board member, engaging with the WFE and market participants on the application was a highlight for the year. We operate in a rapidly changing global exchange industry, with the main drivers of evolution being the demutualisation of exchanges, rapid technology adoption and increased competition for market flows. In addition, exchanges are just beginning to grapple with the implications of artificial intelligence and other emerging technologies. This is an exciting but demanding industry, and we look forward to learning from our global peers.

For several years the NSX has benefited from its partnership and technology arrangements with the JSE. While we deeply value this relationship, we must also move towards localised solutions. Our new Bond Trading System, which went live in October 2023, is an example of such a solution. This was a local implementation that benefited from the expertise of Securities & Trading Technology (STT), a global financial markets systems partner. It sets our bond market on a new path as trading in bonds will now occur on-market, which is considered to be a global best practice.

We are also pleased with the progress made with the submission of our licence application for the CSD in August 2023 and the awarding of this licence in March 2024. This is a long-awaited initiative, and the CSD, when implemented in 2025, will be transformational for the securities market. There is a clear roadmap forward for the CSD. Likewise, we look forward to moving down the path towards demutualisation.

## **A growing interest in sustainability**

Companies in Namibia are progressively adopting policies and strategies that address ESG factors affecting their operations. ESG principles are entrenched in the NamCode and serve as a recognition of the long-term benefits for companies in addressing these factors.

As an Exchange, we have engaged in several conversations with our listed companies on the importance of sustainability as a key corporate responsibility. Many of these conversations stem from our 2022 Directive, which requires our listed companies to appoint a SESC. The responsibilities of this board committee include oversight and reporting on organisational ethics, responsible corporate citizenship, sustainable development and stakeholder relationships. In addition, this committee must oversee how the organisation integrates ESG factors into business strategy and organisational culture and manages ESG-related risks and opportunities. It is pleasing to see our listed companies tackle ESG and deepen their boards' understanding of these matters.

We observe developments in the global sustainability reporting space with interest, including the adoption of the International Financial Reporting Standards (IFRS) S1 and S2, which sets out the general requirements for a complete set of sustainability-related disclosures and specific climate change disclosures. We welcome the increased debate and interest in these topics, but we have no plans to increase the regulatory and reporting burden on our listed entities at this stage.

## **Namibia is poised for economic growth**

The year 2023 was challenging for most Namibians, with high inflation driven by increased food and transport costs. With a troubling geopolitical picture and conflict in the Middle East, the oil price is likely to remain elevated. Namibia imports most of its goods from South Africa, and when transport costs increase, we feel it in our pockets. Consumers also face pressures from higher interest rates, with the expectation that these rates will remain higher for longer. The Bank of Namibia expects the economy to grow 3.4% in 2024, down from 3.9% in 2023.



“

**These are meaningful projects that will unlock significant new opportunities for the NSX and our capital markets. The coming years will demand innovation, dedication and the best technology-backed customer service, together with collaboration with our market participants, regulator and shareholders.**

*Grant Marais*

Chairman



**While Namibia has its challenges, it also has exciting prospects. The oil and gas discovery, an uptick in the uranium price and the potential for green hydrogen developments, positions Namibia for increased international attention.**

Despite these challenges, the outlook for Namibia is promising, and the country is more resilient than expected, and its growth sectors include tourism, agriculture, fishing and mining. We are watching developments in the uranium market, driven by increased interest in nuclear power generation, as the price of uranium tracks upward. In Namibia, we have several uranium mines under care and maintenance, and an increased demand for this commodity may see these mines return to production.

The discovery of significant oil and gas reserves, with commercial quantities estimated to be in the billions of barrels, could boost Namibia's economic prospects in the coming decades. Investors are drawn to this deposit due to the potential volumes and accessibility to both fuel types. We are pleased to see the discovery is generating more action than conversation.

While global sentiment has turned away from fossil fuels, as a developing nation with high unemployment and inequality, we must make the most of this opportunity. As a new sector, it also offers direct and indirect employment and skills development opportunities in both the extraction process and upstream development. Over the longer term, developing a local oil and gas industry will unlock increased foreign investment, government revenues and energy independence.

There is also positive movement in the renewable energy space. Namibia, one of the world's sunniest countries, seeks to harness its potential for solar and wind energy to produce green hydrogen and position itself as a renewable energy hub in Africa.



In May 2023, Hyphen Hydrogen Energy agreed on a deal with the government of Namibia for the next phase of a N\$10 billion green hydrogen project that will export to Europe once complete. The plant, to be built in phases, will eventually produce approximately two million tonnes of green ammonia a year for regional and global markets when it reaches full-scale output, which is anticipated before 2030.

The NSX is evolving to meet the needs of this changing and increasingly dynamic macro-economic environment. This demands reviewing the entire business and adapting and improving our operations to best position Namibia for capital raising and economic growth.

## Appreciation

In April 2023, we bid farewell to David Nuyoma, who stepped down as the Chairman and Non-Executive Director of the NSX. David was a steady hand through various turbulent times, including the COVID-19 pandemic, and cultivated a cohesive and effective Board. We thank David for bringing his wealth of experience and a calm temperament to the role and wish him well for his next venture.

We also said farewell to Oscar Capelao, who also stepped down from the Board in April 2023 and we thank him for his remarkable insights over the years.

Board renewal is important for every organisation, and we strive for a progressive and gradual Board renewal process. We currently have a mix of seasoned directors who are well-acquainted with the business and newer directors who bring fresh perspectives. In 2023, we welcomed two new Independent Non-Executive Directors, Stefan de Bruin and Penda Ithindi. We are privileged to have individuals of this calibre serve on the Board, and we look forward to their expertise as we undergo the next phases of our evolution.

I thank our Board members, the NSX Management and our employees for their commitment during a milestone, successful year for the Exchange. We look forward to more fruitful engagements with our market participants, stakeholders and regulator in 2024.



**Grant Marais**  
Chairman

# CEO'S report

## Highlights for 2023

- The NSX was admitted as a full member of the WFE.
- Recipient of the Best Stock Exchange Management Award for Africa.
- Successful listing of Osino Resources Corp.
- Listing of 15 new bonds (incl. tranches).
- In October 2023, the NSX launched its new bond trading system.
- Pleasing progress with key strategic initiatives.

I have the pleasure of presenting the CEO's report of NSX for the year ended 31 December 2023. The year offered several important milestones, including being admitted as a full member of the WFE, receiving the go-ahead with demutualisation, launching our bond trading platform and submitting our application to be licenced to operate Namibia's first CSD.

Being accepted as a full member of the WFE was a wonderful highlight and the culmination of a multi-year project. Our full WFE membership offers several benefits. It boosts our credibility and ease of access as a viable platform for global investment, as WFE membership is a prerequisite for many international investors. Importantly, it also provides our employees with education tools, cutting-edge research and access to highly specialised workshops, conferences and events. We enjoy positive working relationships with several African stock exchanges and developed market stock exchanges.

We look forward to learning more about and working with other leading stock exchanges through our membership.

An unexpected but well-received accolade for the year was being recognised as the 2023 Best Stock Exchange Management in Africa by Capital Finance International (CFI.co). CFI.co is a print journal and online resource reporting on business, economics, and finance.

The NSX was recognised for, among other things, positioning itself as a stable and efficient alternative market for addressing regional Issuer needs through its established strategic partnership with the JSE, its diversified investment product range, the development of the NamCode, which educates listed companies on applicable governance requirements, and the Namibian Scholar Investment Challenge, which shapes young investors.

“ This award reaffirms our mission to enable, develop, and deepen capital markets in Namibia as we continue to contribute to the economy's growth and diversification.



“ I am proud of what the NSX has achieved in implementing our strategic initiatives to unlock value for our stakeholders and further develop Namibia’s capital markets. There is much more to be done to deliver on our growth aspirations and achieve our mission of contributing to Namibia’s economic development and prosperity.

*Tiaan Bazuin*

Chief Executive Officer (CEO)

## Financial performance

The NSX remains a financially stable and cash-positive organisation with adequate financial reserves. In 2023, revenue for the Exchange increased by 39.70% to N\$25.79 million while the Group's revenue increased by 49.94% to N\$30.31 million. This robust financial performance positions us to invest further in our key strategic initiatives, which includes inviting future shareholders to share in our success once we demutualise. The operating results and state of affairs of the NSX and the Group for 2023 are fully disclosed in the annual financial statements from page 48.

NSX financial results (N\$)	2020	2021	2022	2023
Total revenue	18,849,432	23,652,625	18,461,967	25,791,692
Net profit	8,470,583	11,153,903	5,508,465	11,011,286
Assets	90,727,652	102,396,399	107,830,896	119,537,180

NSX Group financial results (N\$)	2020	2021	2022	2023
Revenue	21,396,690	27,164,663	20,217,401	30,313,983
Net profit	9,775,664	13,426,855	5,802,346	13,961,649
Assets	111,925,848	126,855,094	132,128,303	148,382,451

## Progress with key strategic initiatives for 2023

I am pleased to outline the continuing progress NSX is making in delivering its mission of making investing easier by increasing the range of tradable instruments, creating and maintaining an effective and high-trust regulated environment and developing a supportive investment climate in Namibia. Our key strategic initiatives are multi-year projects that demand intensive planning and reflection, market consultation, regulatory approval and, in many cases, technology investment.

### Demutualisation

Globally, stock exchanges have and continue to transform their corporate governance structures through demutualisation due to the globally competitive environment that is characteristic of the 21st century. When an exchange is demutualised, it can also become more commercially flexible and responsive to market needs.

We have been preparing for our own demutualisation and listing since this was approved by rights holders in 2015, pending the enactment of FIMA. This year, we received clarity from NAMFISA that we could proceed with demutualisation on a voluntary basis despite the delayed enactment of the FIMA legislation. The next steps in the demutualisation process are solidifying the corporate structure of the demutualised company within the NSX Group and completing items on the detailed roadmap towards demutualisation.

### Bond trading

In October 2023, the NSX celebrated the go-live of the bond trading platform and the successful end of a momentous and long-awaited project. The platform was developed by STT, a global financial market software service provider. The project involved extensive consultation with our bond market participants and we thank them for throughout the planning and technical systems integration process.

The addition of our own bond trading platform will enhance the Exchange's capabilities to facilitate safe and regulated bond trading. In the long term, this platform should lead to increased liquidity, international participation and market growth. Bond trading on an OTC basis is not considered a global best practice, and international investors seek greater transparency and price discovery. From 31 March 2024, all bond trading in Namibia will be facilitated through a transparent, on-market platform, which should lead to increased liquidity and growth in the long term. It contributes to achieving our mission of deepening and diversifying the Namibian capital market and preparing for a prosperous economic future.

### Progress with the CSD project

Since its founding, the NSX has operated using physical or paper certificates representing ownership of equities and bonds. For several years, the NSX has, from its reserves, funded the project to launch a CSD in the Namibian market in partnership with the Bank of Namibia. The aim of this project is to dematerialise our markets and move from paper certificates to electronic recordkeeping.

In 2021, a Market Steering Committee together with market participants, including banks, brokers and asset managers, consulted widely to obtain stakeholder input on implementing a CSD. The Conditions relating to a CSD were gazetted on 28 July 2022, and the NSX and the Bank of Namibia prepared a CSD licence application. In August of 2023, we submitted the licence application to NAMFISA, and we received approval for the licence and registration of the CSD in March 2024. We are beginning the project planning and technical implementation of the CSD. We expect this to be a multi-year project and be operational in 2025.

The introduction of a modern CSD in Namibia aims to improve efficiency in securities settlement and reduce settlement risks associated with paper-based systems and systems characterised by extensive manual processes. A CSD will also save the Issuers the cost, effort, and time they take to print certificates and simplify the process of trading in the secondary markets by relying on electronic book entries instead of physical certificates, which may be subject to fraud. The launch of the CSD will also allow for the development of a local derivatives market, which will increase the investment universe for Namibian investors.

## A successful listing for Osino Resources Corp

We actively promote the benefits of listing on the NSX for both local and dual-listings. This includes representing the NSX at regional and global conferences. The cost and ease of listing and maintaining a listing on the NSX are attractive. We are less compliance intense and have a business-friendly approach. We have a healthy pipeline and have conversations with many local companies, including SOEs, considering listing. Most of these management teams are aiming for normalised earnings post-COVID-19 before they list. Should we choose to list on our own Exchange, this will provide an excellent case study demonstrating the ease with which a smaller company lists.

In October 2023, the total capital raised for Osino Resources Corp, following the dual-listing in August 2023, amounted to N\$39 million. The company, which has had its primary listing on the Toronto Stock Exchange (TSX) Venture Exchange since 2018, is a gold exploration and development company focused on the development of its wholly-owned Twin Hills Gold Project in central Namibia.

Osino commenced operations in Namibia in 2016, and the project is in the feasibility stage. Once developed, the mine is expected to provide significant economic and social benefits for Namibians. The NSX listing will provide opportunities for the company to raise its profile in Namibia, engage with local stakeholders and access its capital markets. In addition, it sets an important precedent for future mine development in the country, linking Namibians to ownership of local extractive industry opportunities.

Namibia is mining-friendly and is considered one of the continent's most politically and socially stable jurisdictions. The mining sector is a key contributor to Namibia's GDP, employment and infrastructure development, among other benefits. Mining accounts for about 9% of GDP and provides more than 50% of foreign exchange earnings. With rich mineral deposits, including diamonds, uranium and gold, mining offers incredible potential for further development, should the funding be available. We believe that the NSX can play an important role in unlocking this potential.

## Celebrating investing excellence amongst the youth

In November 2023, the team Wallstreet from the University of Namibia was crowned as the winners of the Namibian Scholars Investment Challenge 2023 at a prize-giving function. The team earned an incredible return of 60.6% on their investment portfolio for the duration of the competition, which ran over six months from 3 April to 15 September 2023. Most professional investors would be proud to offer these types of returns.

This year marked 21 years of the competition, and over 2,600 students have participated since its inception. The competition, where learners trade on the NSX using virtual shares, aims to promote and encourage a greater understanding of the Namibian capital market. This year 329 teams from different universities and secondary schools participated.

The Namibian Scholars Investment Challenge is the premier learner's competition for investing and an excellent introduction to investment management, whether for personal investing or as a career. Many of the competition's alumni go on to have successful careers in financial services.



**This competition would not be possible without our committed sponsors, who offer financial and other assistance that ensures the competition maintains its attraction and prestige. To all of the sponsors – we appreciate your contributions and look forward to building our relationships in the future.**

### **A note of thanks**

We extend a sincere thank you to our stakeholders, including the capital markets community, our Regulator, the Ministry of Finance, NSX directors and our employees for their continued support and faith in the NSX. We are also grateful to our stakeholders for their time, effort and valuable input into the assessment that was conducted by the WFE team.

We thank our former Chairman, David Nuyoma, for his commitment to the NSX over his nine-year tenure. David was a steady hand throughout the turbulence of the COVID-19 pandemic and cultivated a cohesive and effective Board.

We look forward to interacting with him in his new role as the Group CEO of the Capricorn Group, a major NSX-listed company.

Finally, I officially welcome Grant Marais as our new Chairman, who was appointed on 15 June 2023. Grant, who has been on our Board since 2020, is a high calibre director with broad experience in banking and other business ventures. We look forward to his insights and contributions in the coming years.

**Tiaan Bazuin**  
CEO

# KEY STATISTICS for 2023

## Summary of the NSX's trading results and composition of the accumulated reserves over ten years

Year	# of deals	Trading value in N\$ billions	Year on year % change	Volume of shares in 000s	Transaction levies	NSX fees as % of trade value	NSX investment income	NSX net income	Accumulated Reserves
2014	4,118	8,332	51%	174,427	3,712,723	0.0459%	3,123,337	5,470,783	35,798,383
2015	4,384	17,196	106%	267,537	6,927,056	0.0418%	4,421,171	10,332,858	46,131,241
2016	5,154	14,411	(16%)	219,398	6,038,265	0.0424%	2,289,800	6,641,817	52,773,058
2017	4,412	13,859	(4%)	228,607	5,881,576	0.0431%	6,070,318	7,876,659	60,649,717
2018	5,005	12,219	(12%)	193,101	5,526,283	0.0463%	1,953,473	6,402,307	63,416,910
2019	4,911	8,872	(27%)	205,813	3,649,172	0.0424%	6,143,037	8,216,123	71,633,033
2020	5,232	11,011	24%	222,655	4,860,387	0.0524%	4,698,532	8,470,583	80,103,616
2021	5,872	11,070	1%	229,089	4,753,665	0.0463%	9,855,488	11,153,903	91,257,519
2022	6,093	13,782	25%	260,102	4,656,426	0.0345%	4,033,092	5,508,465	96,765,984
<b>2023</b>	<b>5,670</b>	<b>8,405</b>	<b>(39%)</b>	<b>188,795</b>	<b>3,648,543</b>	<b>0.04467%</b>	<b>12,659,695</b>	<b>11,011,286</b>	<b>107,777,271</b>

## Cost of trading on the NSX

Namibia's stockbrokers must comply with the NSX's non-negotiable and fixed charges. An application can be made for concessionary brokerage limited to trades in Namibian companies in excess of N\$40 million. In a small market, it is essential that playing fields are level and that the brokers earn sufficient income to provide a full service in Namibia and not be controlled by foreign companies. In terms of the Stockbroking Rules, the stockbroker must be a Namibian and the Managing Director of the corporate member.

Trading costs as a percentage of the traded value are:

	2023	2022
Brokers' fees (on average)	0.447%	0.345%
NSX levy (10% of brokers' fees)	0.045%	0.035%
NAMFISA levy on trade (November 2027 onwards)	0.079%	0.079%
<b>Total cost of each leg of a local trade</b>	<b>0.570%</b>	<b>0.459%</b>

These fees can be as high as 1.14% for trades under N\$10,000, as the brokerage is charged at 1% for the first N\$10,000 of the traded value.

## Key statistics for 2023 continued

### Growth of the NSX – listings

As at December 2023, a total of 49 (2022: 50) companies including ETFs are listed on the Main Board and DevX of the NSX. There are 36 dual-listed companies (companies with a primary listing in another jurisdiction) and 13 local listed companies, including the one CPC-listed company. Over the past few years, the NSX has enjoyed growth in both equity and debt listings.

	2023	2022	2021
Namibia (NSX)	13	14	14
Australia (Australian Stock Exchange)	5	5	5
United Kingdom (London Stock Exchange)	2	3	2
South Africa (JSE)	14	14	15
South Africa (JSE ETFs)	11	11	11
Canada (Toronto Stock Exchange)	3	2	2
Mauritius (Stock Exchange of Mauritius)	1	1	2
<b>Total</b>	<b>49</b>	<b>50</b>	<b>51</b>

### NSX total market capitalisation

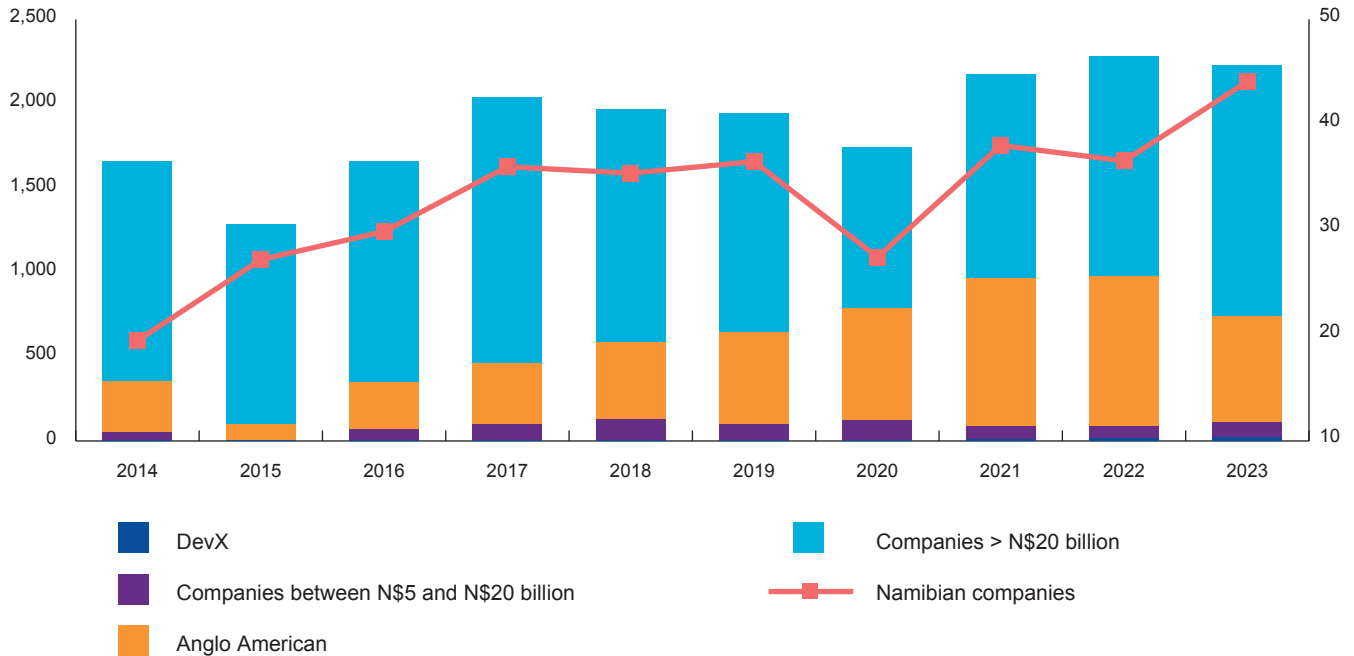
The total market capitalisation is the sum of the number of shares in issue multiplied by the closing share price on 31 December each year. ETFs are excluded from the market capitalisation calculation but included in the total listings and trading statistics.

Year	Primary listing (N\$ million)						Total
	NSX	JSE	LSE	TSX	ASX	SEM	
2014	22,322	1,172,937	472,897	305	11,978	–	1,680,439
2015	29,430	1,068,890	301,253	6,640	5,043	3,555	1,414,811
2016	32,017	1,132,767	539,834	13,481	1,649	6,835	1,726,583
2017	36,018	1,399,261	625,125	14,672	1,602	6,470	2,083,149
2018	35,406	1,431,788	497,271	16,294	2,285	6,869	1,989,913
2019	36,508	1,277,473	603,970	20,794	2,793	2,994	1,944,532
2020	27,440	969,491	703,090	32,440	7,816	942	1,741,220
2021	38,040	1,152,874	924,560	24,855	36,262	1,023	2,177,612
2022	36,568	1,180,095	963,397	65,272	34,165	797	2,280,294
<b>2023</b>	<b>44,088</b>	<b>1,427,680</b>	<b>635,189</b>	<b>66,606</b>	<b>54,391</b>	<b>868</b>	<b>2,228,822</b>



## Market capitalisation by group

Market capitalisation by group – Billion



The NSX benefits from the Namibian pension funds' asset requirements and similar regulations for long-term insurance companies by the dual, cross and secondary listing of companies listed on other exchanges. Since 1994, pension funds have been required to invest 35% of their respective assets in deemed Namibian assets, which include dual-listed shares purchased through a Namibian stockbroker on the NSX.

Amendments to the Pension Funds Act in 2017 increased the local asset requirement from 35% to 45% in three phases during the years 2018 and 2019. Only 10% of these domestic assets may now be invested in NSX dual-listed stocks. This has led to a lowered interest in the dual-listed segment and ETFs not being included in any category of domestic assets.

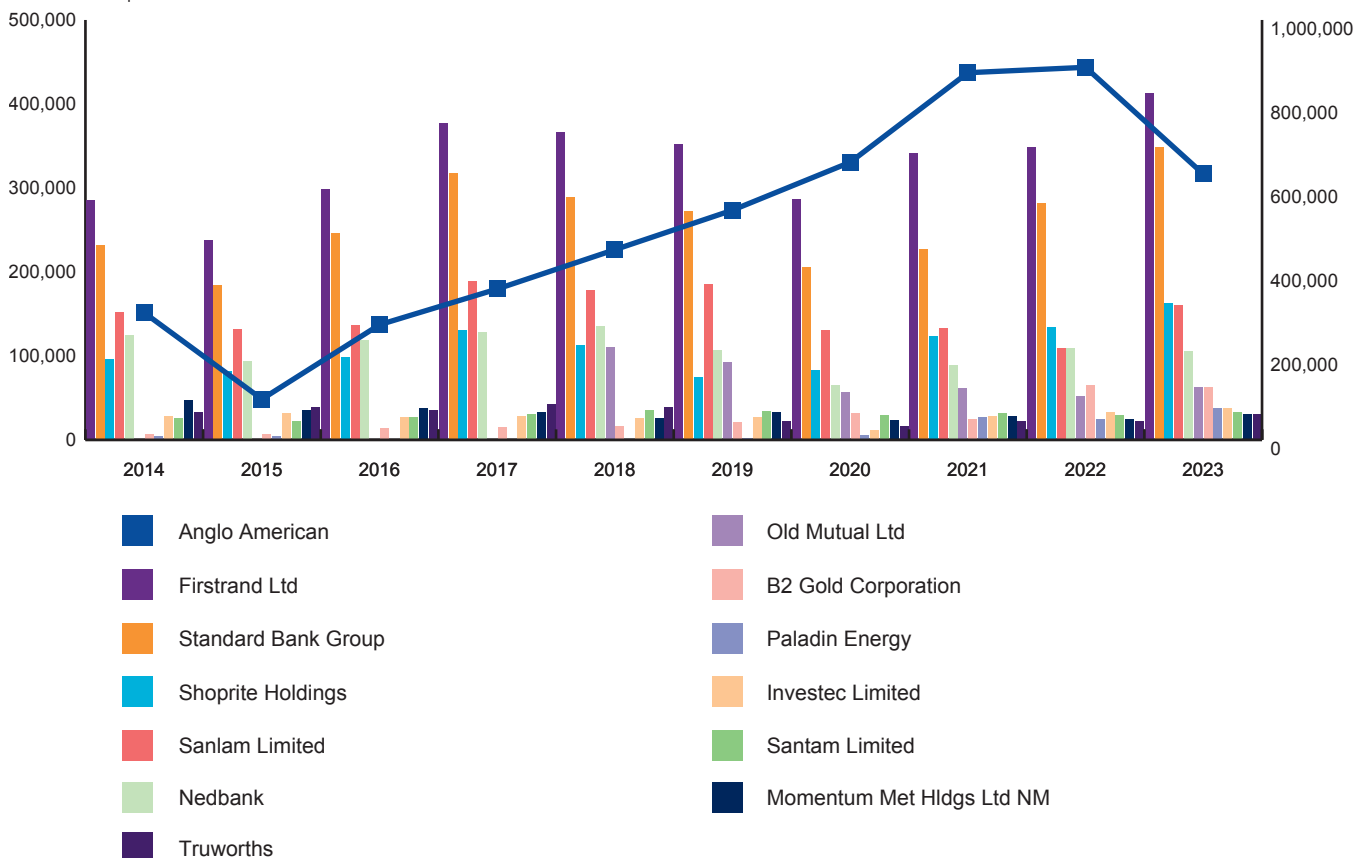
## Key statistics for 2023 continued

### NSX Top 13 – market capitalisation

In the next graph, the solid line highlights the movement in the market capitalisation of Anglo American against the right-hand vertical axis, in billions of Namibia dollars, since December 2014 and compares this to the largest companies listed on the NSX.

#### NSX Top 13 – market capitalisation – Billion

Each < N\$ 20 billion at 31 December 2023



### NSX Overall Index versus the JSE All Share Index

The graph below shows the growth of the NSX Overall Index compared to the JSE All Share Index over ten years. The NSX Overall Index includes some companies with high market capitalisation, including FirstRand, Anglo-American and Old Mutual. This makes it a difficult index to track, as investors would be unlikely to be overweight in a few stocks. It must, therefore, be acknowledged that the index does not reflect an investible benchmark.

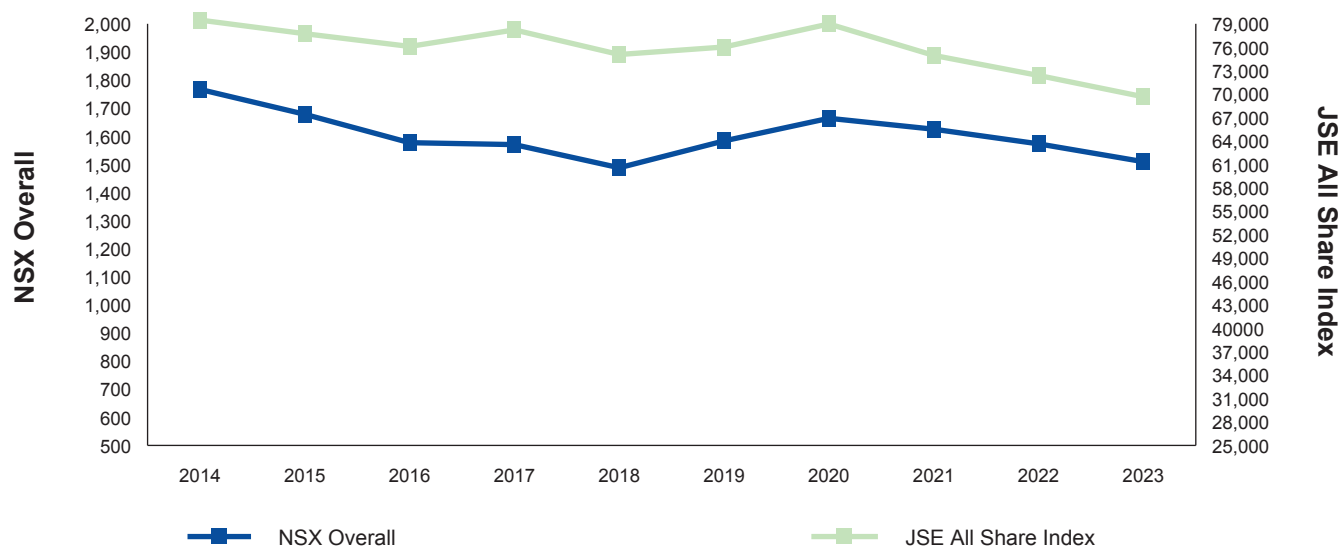
As at year-end, the NSX Overall and JSE All Share indices closed at:

- The NSX Overall Index closed at 1,633, increasing 0.14% compared to 2022
- The JSE All Share Index closed at 76,893, increasing 5.26% compared to 2022

Notable dual-listed comparative numbers are:

- Anglo American at N\$473.49 decreasing 28.6% from 2022 (N\$663.34)
- FirstRand at N\$73.51 increasing 18.3% from 2022 (N\$62.12)

### NSX Overall Index versus the JSE All Share Index



## Performance of the NSX Local Index

The NSX Local Index, which only includes Namibian primary listed equities, is calculated and published on a daily basis. The NSX Local Index increased by 32.48% in 2023. Although Regulation 13 of the Pension Funds Regulations, creates demand for local securities, foreign taxation legislation also contributes to their attractiveness. South Africa has a 20% withholding tax on dividends, giving local investors an incentive to buy local securities where they receive the full dividend. Over a ten-year period, the local market has become more active, and there is a demand for local securities that is not being met, both from a regulatory as well as a commercial perspective.

Due to the Regulation, most pension funds also have a “buy and hold” philosophy, which decreases the liquidity of the securities even further. The implementation of the CSD will open the Namibian market to additional interest from international investors. This should increase the demand for both shares and bonds. More Namibian companies need to come to market and expand their shareholding base to contribute to improved liquidity.

The graphs below show the price and market capitalisation growth of selected Namibian securities without taking dividend payments into account.

## Key statistics for 2023 continued

### Market capitalisation by total shares in issue – Billion



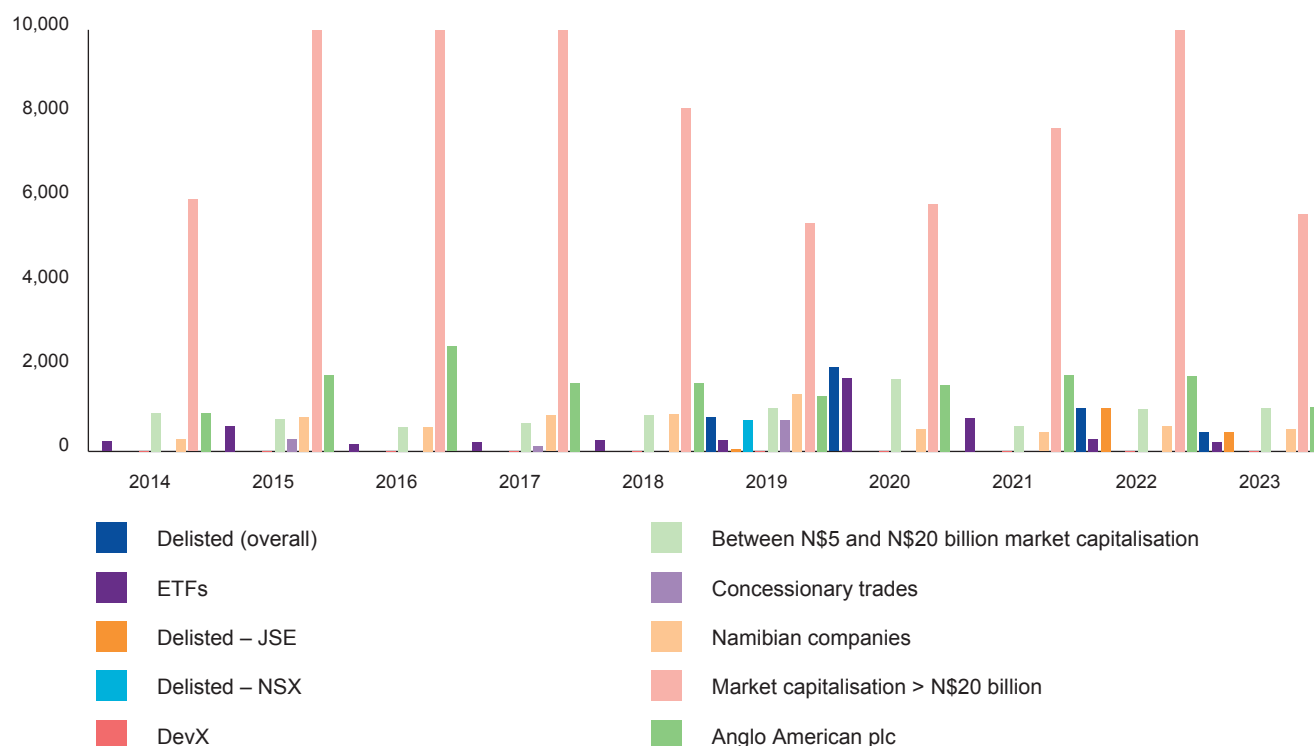
### NSX local market share prices



## Trades in equities

The following graph illustrates the value of secondary trades reported on the NSX across each segment.

### NSX Trades on NSX in N\$ Billions by source of trade



As shown above Anglo-American is shown separately as it significantly influences the trading and reporting on the NSX. Other companies are grouped together as follows:

- Companies with a market capitalisation greater than N\$20 billion.
- Namibian companies (irrespective of size or primary listing).
- Companies other than Namibian incorporated with a market cap of between N\$5 billion and N\$20 billion.
- Companies which delisted on either the NSX or JSE since 2014.
- All companies on the DevX development capital board – at present only ASX and TSX companies.
- ETFs.
- The trades referred to above concessionary trades did not trade on the NSX.

Concessionary trades are large blocks (> N\$40 million) of a single primary listed entity for which a preferential trading cost is approved by the NSX to encourage all secondary trades to be reported to the market.

Traded values for 2023 decreased by 39% when compared to 2022. As the dual-listed portion of domestic assets reduces, this trend is expected to continue.

## Key statistics for 2023 continued

### Bonds traded

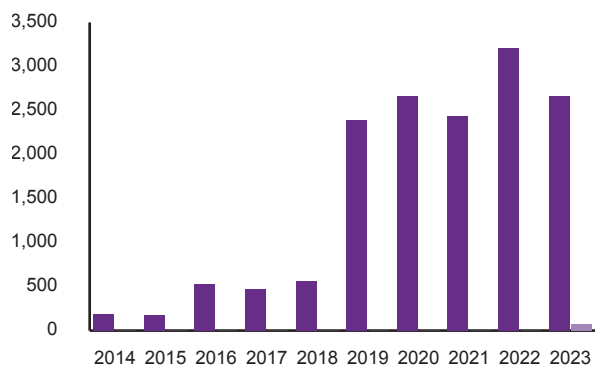
#### Value of bonds

The values of issued bonds in N\$ million are:

	2023	2022	2021
Government	74,043	68,253	60,079
Namibian SOEs	130	630	606
Commercial banks	2,728	3,567	4,277
Green and sustainable bonds	1,160	1,160	407
Dual-listed on the JSE	1,827	1,917	1,921
Corporate	1,054	638	283

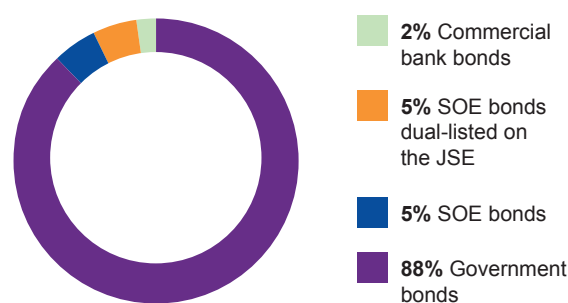
In addition to the above issued bonds, US\$750 million was raised in 2015, R335 billion listed on the JSE, and the N\$38,033 billion outstanding in treasury bills.

#### Secondary annual bond volumes – millions (N\$)

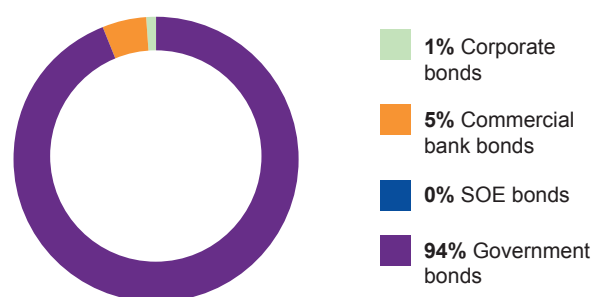


- OTC
- On-Market via Bond Trading System

#### Secondary trade values over the last 20 years



#### Bonds outstanding trade per issuer type at 31 December 2023

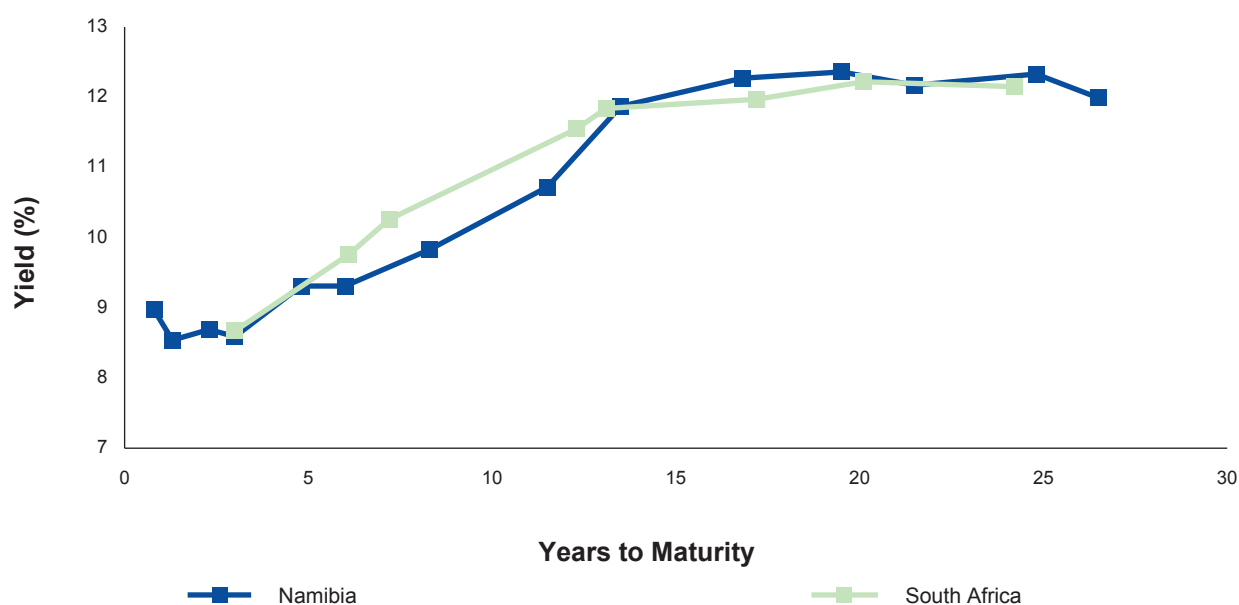


## Nominal outstanding in NSX-listed debt

The number at the end of the bar is the total value of maturities for the year.

	Government debt	Corporate debt	Bank debt	SOE debt	Total
2024	2,586,920,000	175,000,000	825,500,000	–	3,587,420,000
2025	6,035,720,000	278,500,000	991,000,000	–	7,305,220,000
2026	5,928,450,000	175,000,000	959,000,000	–	7,062,450,000
2027	6,017,160,000	100,000,000	1,112,000,000	–	7,229,160,000
2028	2,845,890,000	100,000,000	–	–	2,945,890,000
2029	2,057,990,000	–	–	130,000,000	2,187,990,000
2030	6,494,210,000	–	–	–	6,494,210,000
2031	–	–	–	–	–
2032	6,263,370,000	–	–	–	6,263,370,000
2033	1,878,330,000	–	–	–	1,878,330,000
2034	–	–	–	–	–
2035	5,887,450,000	–	–	–	5,887,450,000
2036	1,386,400,000	–	–	–	1,386,400,000
2037	5,113,730,000	75,000,000	–	–	5,188,730,000
2038	–	75,000,000	–	–	75,000,000
2039	–	75,000,000	–	–	75,000,000
2040	5,300,570,000	–	–	–	5,300,570,000
2041	–	–	–	–	–
2042	–	–	–	–	–
2043	4,081,710,000	–	–	–	4,081,710,000
2044	–	–	–	–	–
2045	4,995,320,000	–	–	–	4,995,320,000
2046	–	–	–	–	–
2047	–	–	–	–	–
2048	2,720,250,000	–	–	–	2,720,250,000
2049	–	–	–	–	–
2050	4,449,370,000	–	–	–	4,449,370,000

## IJG calculated yield curve as at 31 December 2023



# CORPORATE GOVERNANCE REVIEW

***The NSX is committed to the highest standards of corporate governance, recognising the critical role it plays in Namibia's capital markets.***

The NSX is a non-proprietary voluntary association of rights holders and the custodian of the licence to operate the stock exchange. It comprises 43 founder members and six trading members.

The NamCode outlines the importance of corporate governance in achieving financial objectives and fulfilling corporate responsibilities. This is to ensure that corporate governance requirements are met and that the core principles of accountability, integrity and transparency are adhered to. The Board diligently strives to adhere to the principles detailed in the NamCode.

## The role of the Board

***The Board is collectively responsible to the NSX's members for the long-term success of NSX and its subsidiaries.***

The Board provides the leadership, integrity and good judgement required for the NSX to meet its objectives and obligations to market participants. The Board must, therefore, retain full and effective control of the NSX and give strategic direction to the management of the NSX. The Board is also responsible for ensuring compliance with all relevant laws, regulations and codes.

The Board ensures that an adequate and effective process of corporate governance that is consistent with the nature, complexity and risk inherent in the NSX's activities is established and maintained. The Board appoints committees to assist it with its responsibilities.

In addition, the Board is accountable to broader stakeholders, which include the present and future users of NSX's products and services, including Issuers, investors, lenders, and employees.



## Board approval

The following items require specific Board approval:

Strategic	Financial
<ul style="list-style-type: none"> <li>■ Acquisition or establishment of any new business or disposal of a business within parameters as determined by the Board from time to time.</li> <li>■ Approval of the strategy, business plans and annual budgets.</li> <li>■ Approval of material changes in strategic direction and deviations from business plans.</li> </ul>	<ul style="list-style-type: none"> <li>■ Adoption of any significant change or departure in accounting policies and practices which will have a material impact.</li> <li>■ Approval of the annual financial statements, the valuation of unlisted investments and the valuation of the NSX rights.</li> <li>■ Recommendations to rights holders of any increase, reduction or alteration of the rights and obligations of stockbrokers.</li> <li>■ Capital expenditure in excess of N\$100 000.</li> </ul>
Statutory and administrative	Regulatory
<ul style="list-style-type: none"> <li>■ Recommending amendments to the Rules of the NSX, including Listing Requirements and Directives.</li> <li>■ Appointment, removal or replacement of the external auditor of the company.</li> <li>■ Frequency of meetings of the Board.</li> <li>■ Convening of general meetings of rights holders of the NSX.</li> </ul>	<ul style="list-style-type: none"> <li>■ Approval of terms and conditions of NSX rights for new issues.</li> <li>■ Any decision to list NSX shares in any stock exchange or terminate any such listings.</li> </ul>
Governance	Human resources
<ul style="list-style-type: none"> <li>■ Changes to the charters or powers, limited and authorities of Board committees.</li> </ul>	<ul style="list-style-type: none"> <li>■ Appointments to and removals from the Board, including the appointment of the Chairman, Deputy Chairman, CEO, and executives and the approval of the nomination of alternate directors (if any).</li> </ul>

## Duties of Directors

The Board:

- Must adhere to the Code of Corporate Practices and Conduct as contained in the NamCode on Corporate Governance and the Board's Code of Ethics.
- In directing the NSX, shall exercise leadership, enterprise, integrity and judgement based on transparency, fairness, accountability and responsibility.
- Approves the strategic direction of the NSX and budgets to achieve the strategy.
- Ensures that procedures are in place to monitor and evaluate the implementation of its corporate vision, strategies, policies, senior management performance criteria and business plans.
- Monitors business and operational performance.
- Appoints the CEO and monitors his or her performance including rewards and remuneration.
- Ensures that an adequate and effective corporate governance process, including risk management, is established, maintained, and reported on.
- Is the guardian of the values and ethics of the NSX and its subsidiaries and is accountable to stakeholders for the NSX's compliance with ethics.
- Ensure that the NSX complies with the letter and spirit of the law, regulations, policies, and relevant codes.
- Determines that the NSX is a going concern in the financial year ahead.
- Communicates with rights holders and other internal and external stakeholders openly and timeously throughout the year.
- Undertakes performance and effectiveness assessments of the Board, Chairman, individual directors and its committees.
- Is ultimately responsible for succession planning
- Adheres to the Board's conflict of interest rules.
- Reserves specific powers to itself and delegates other duties to committees, this includes defining levels of materiality and reserving specific powers to itself.
- Appoints committee members, oversees director rotation on the committees and reviews committee reports.

### Ethical conduct

Directors act with integrity and ensure that they know their duties and responsibilities. They have a duty to exercise proper care and diligence in the governance of the NSX. The Board has a fiduciary responsibility to the NSX, its rights holders and stakeholders and must protect these interests above those of any third party or personal interests of directors.

The Board must ensure that the competing interests of stakeholders are balanced in a considered and fair manner and that no individual or group of stakeholders is given preferential treatment over others. The Board is required to disclose adequate and relevant information to stakeholders.

### Division of responsibilities

The Chairman and the CEO's roles are separate, with each having distinct and clearly defined roles and responsibilities. The Chairman directs the Board's business and acts as its facilitator and guide, ensuring that the Board is effective in its tasks of setting and implementing the Group's direction and strategy. The Chairman is responsible for the leadership of the Board, for ensuring its effectiveness in all aspects of its role and for facilitating the productive contribution of all directors. The Chairman is accountable to the Board for directing the Group's corporate and financial strategy and for the overall supervision of the policies, rules and regulations governing the Group.

### Board Charter

The Board Charter guides the Board with respect to, amongst others, their duties and responsibilities, composition, meetings and proceedings and codes of ethics. In addition, the Board Charter provides for a clear division of powers to ensure unfettered discretion in carrying out the duties and responsibilities of the respective directors.

### Board meetings

The Board meets at least four times annually. The Chairman is responsible for setting the agenda for each meeting in consultation with the CEO. Comprehensive information packs on matters to be considered by the Board are provided before the meetings.

### Rotation

In terms of the NSX Constitution, at least a third of the Board members are required to retire by rotation each year at the NSX's AGM. The retiring Board members are eligible for re-election at the AGM.

### Conflicts of interest

The Board takes cognisance of the potential conflicts and has taken steps to mitigate any conflicts via disclosure and recusals. The Board believes that its composition and regular elections ensure that no one individual has undue influence in its deliberations and ultimate decisions.

### Induction and training

Induction training for new directors covers general governance, NSX-specific legislation, and operations. New directors invest time in understanding NSX's business and familiarising themselves with the financial, social, and political environment within which NSX operates.

As the regulatory environment continually evolves, directors must learn about the amendments to laws and regulations that impact the NSX and future Board decisions. Post induction, the regulatory landscape is discussed and updated at every Board meeting.

### Access to information and expert advice

The Board is entitled to obtain expert advice from professionals, including lawyers, actuaries and auditors. To enable informed decision-making, directors are made aware of the issues that could have a material impact on the NSX and its operations. The directors also have unfettered access to all company information, records, documents, property and senior management.

### Company Secretary

Namene Shejavali-Lungu, the Chief Regulatory Officer (CRO), acts as the Company Secretary for the NSX Group. In this role she is responsible for:

- Acting as a liaison between the NSX and the Board.
- Providing guidance to the Board on their duties, responsibilities and powers under various legal frameworks.
- Ensuring a culture of independence is encouraged within the Board and its committees.
- Overseeing adherence to Board procedures and facilitating regular reviews.

# Board composition and profiles

*All Board members are individuals of calibre and credibility and have the necessary skills and experience in their respective categories.*

## Required composition

In terms of the NSX Constitution, which is incorporated in the NSX Rules, the Board must consist of nine natural persons resident in Namibia. Seven Board members must be elected from the following category, with each category having at least one representative:

- Investing public (pension funds, asset and unit trust managers).
- Financial sector (banks, short and long-term insurance, investment companies, real estate and speciality finance).
- Primary listed companies.
- General business community.
- A registered auditor.
- Practicing lawyer.
- Two members elected from the stockbroking community.

The NSX confirms that it adheres to the terms of the NSX Constitution with the Board members' respective categories indicated in the profiles below. The majority of Board members must be non-executives.

The Board is mandated to appoint a Chairman and Deputy Chairman from among its independent members.

In terms of Section 46 of the SECA, NAMFISA has a right to nominate an individual to attend all Board and committee meetings of the NSX. Mr Absalom Kapenda, General Manager: Capital Markets at NAMFISA, served as NAMFISA's nominee until December 2023. In January, he was replaced by Mr. Floris Fleermuys, General Manager for Research, Policy and Statistics Division at NAMFISA. In the event that Mr. Fleermuys is unable to attend, Mr. Edison Katjipuka (Manager: Capital Markets) is the alternate nominee.

## Non-Executive Directors



*Grant  
Marais*

### **Chairman, Independent Non-Executive Director**

Member of the Listings Committee

**Elected to the Board:** April 2020

**Category represented:** Any other

BCom (Economics and Business Economics, Certified Associate of the Institute of Bankers)

Mr Marais retired from mainstream financial services to focus on key projects. He was the Group CEO of Momentum Metropolitan Namibia Limited (MMN) until August 2021, where he was responsible for the operations of the life, asset management, short-term insurance and health administration businesses.

His previous work experience includes 31 years in banking and financial services, of which 21 years were served at the executive committee level.

#### **Other directorships**

- Non-Executive Director of Momentum Metropolitan Namibia Limited.
- Chairperson of Namibia Media Trust.
- Non-Executive Director of Free Press Namibia.
- Non-Executive Director of Word Press Namibia.
- Non-Executive Director of Namibia Print Property Investments.
- Executive Director of Cadence Building Society.



*Hans-Bruno  
Gerdes*

### **Deputy Chairman, Independent Non-Executive Director**

Chairperson of the Listings Committee  
Chairperson of the Brokers Screening and Disciplinary Committee  
Chairperson of the Demutualisation Committee  
Chairperson of the Remuneration Committee

**Elected to the Board:** April 2009

**Category represented:** Practicing lawyer

BProc, Associate of the Institute of Chartered Secretaries

Mr Gerdes is an associate of the Institute of Chartered Secretaries. He was admitted to practice in the High Court in 1985 and was the Managing Partner of Engling, Stritter and Partners until 2015. He continues to consult to the firm on corporate and commercial matters.

He holds directorships in both listed and unlisted companies and serves on various governance committees. He was the Chairperson of the Legal Practitioners Fidelity Fund and a Commissioner of the Law Reform and Development Commission. He is the Honorary Consul for the Kingdom of Belgium in Namibia and serves on the Advisory Board of the Namibia Investment Promotion and Development Board.

#### **Other directorships**

- Non-Executive Director and Member of the Audit Committee of Namibia Breweries Limited.
- Non-Executive Director of Grootberg Lodge.
- Non-Executive Director of Hobatere Lodge.
- Chairperson of Paratus Namibia Holdings Limited.
- Chairperson of Paratus Telecommunications Namibia.
- Non-Executive Director of Hartlief Corporation Limited.
- Non-Executive Director of Muirfield Investments Namibia.
- Chairperson of Retort Charcoal Producers.
- Advisory Board Member of the Namibia Investment Promotion and Development Board (NIPDB)
- Non-Executive Director of Aqua Services and Engineering.



#### **Independent Non-Executive Director**

Member of the Audit, Risk and Investment Committee  
Member of the Listings Committee

**Elected to the Board:** April 2023

**Category represented:** Listed companies

Mr de Bruin has more than 20 years' experience in operations and finance, the last ten of which was spent as an Executive Director of a number of Namibian listed entities. He is currently the Chief Financial Officer (CFO) of the Paratus Group.

He joined Old Mutual Investment Group Property Investments (OMIGPI) in August 2008 and served as a representative director of Oryx Properties Limited (NSX-listed company) and Oryx Management Services (Pty) Ltd, a subsidiary of OMIGPI until November 2010. He resigned from OMIGPI with the internationalisation of the asset and finance management functions of Oryx Properties Ltd and was appointed by Oryx Properties Ltd as CEO.

He served as a non-executive director of NSX from 2013 to 2016, during which time he also served as Chairman of the Audit and Risk Committee. He also served as a non-executive director of Old Mutual Orion Namibia Pension and Provident Funds from 2016 to 2019, during which time he also served as Chairman of the Audit and Risk Committee.

#### **Other directorships**

- Executive Director of Paratus Telecommunications Namibia.
- Executive Director of Paratus Namibia Holdings Limited.
- Non-Executive Director of Paratus Group Holdings Limited.
- Non-Executive Director of the Professional Provident Society (PPS)
- Non-Executive Director of Finatic.



#### **Non-Executive Director**

Member of the Audit, Risk and Investment Committee  
Member of the Branding and Marketing Committee  
Member of the Demutualisation Committee  
Member of the Listings Committee

**Elected to the Board:** April 2013

**Category represented:** Financial sector

Masters (Economics), MBA

Mr Hansen is the Managing Director of Simonis Storm Securities. He was the Director of the Simonis Storm Money Market from 2006 to 2015. Prior to Simonis Storm Securities, Bruce worked for eight years in various capacities for GIPF, including benefits administration, customer services and information systems.

#### **Other directorships**

- Executive Director of Lexus Securities.



**Independent Non-Executive Director**

Member of the Remuneration Committee  
Member of the Listings Committee

**Elected to the Board:** April 2023

**Category represented:** Investing public

Masters (Financial Economics) BA (Economics and Mathematics)

Mr Ithindi has been a trustee on the GIPF Board since 2020 and in January 2024 appointed as the GIPF's Chairperson. As the Chairman of the GIPF's Investment Committee he guides the Fund's investment decisions and provides oversight on the implementation of its investment policy and strategic asset allocation. His membership to the Audit and Risk Committee supports oversight on the Fund's sustainability, corporate governance and risk management.

Mr Ithindi is the Executive Director of the Ministry of Mines and Energy. He is an economist with over 16 years of senior management experience in financial, fiscal policy and regulatory oversight environment, having served as a Deputy Executive Director and Senior Technical Economic Advisor to the Minister of Finance over 2016 to 2021 period and, prior to that, a fiscal and financial markets development advisor since 2007 at the same institution.

**Other directorships**

- Executive Director in the Ministry of Mine and Energy
- Chairperson of the Namibia Competition Commission.



**Independent Non-Executive Director**

Chairperson of the Audit, Risk and Investment Committee  
Member of the Remuneration Committee  
Member of the Demutualisation Committee  
Member of the Listings Committee

**Elected to the Board:** January 2019

**Category represented:** Registered auditor

B.Acc (Hons), CA(NAM)

Ms Smit adds value to the Board with her experience and knowledge gained in property, banking, insurance, investment and various other industries from her time spent at Deloitte, Nedbank Namibia Limited, Oryx Properties Limited and various directorships. She is a registered auditor with her own audit practice.

**Other directorships**

- Non-Executive Director of Old Mutual Short-term Insurance Company Namibia, Old Mutual Investment Group Namibia and Old Mutual Unit Trust Management Company Namibia Limited.
- Principal Officer of the Namdeb Provident Fund



#### **Non-Executive Director**

Member of the Branding and Marketing Committee  
 Member of the Demutualisation Committee  
 Member of the IT Committee  
 Member of the Listings Committee

**Elected to the Board:** April 2011

**Category represented:** Member elected from the Stockbroking Community

Ms Smith has a strong trading background in forex, money market and equity instruments. She earned various industry qualifications in the 1990s before passing the NSX broker entrance examinations. She was appointed Managing Director of Cirrus Securities (formally Namibia Equity Brokers) in 2008. She has 29 years of experience in the Namibian financial services industry.



#### **Non-Executive Director**

Member of the IT Committee  
 Member of the Listings Committee

**Elected to the Board:** April 2008

**Category represented:** Member elected from the Stockbroking Community

B.Bus Science (Hons Finance)

Mr Späth is the Group Managing Director of the IJG Group of Companies. He joined IJG in 2003 as Head of Research. After completing his stockbroking exams in 2005, he was appointed as Managing Director of the securities business and in 2007 was appointed as the Group Managing Director.

He has been involved as a corporate advisor and sponsor to numerous companies listed on the NSX since 2006 and has helped build IJG's advisory, investment management, private equity, stockbroking, unit trust and wealth management businesses over the years. He completed an executive management course at the Stanford Graduate School of Business.

#### **Other directorships**

- Chairman of Namibia Medical Care (NMC)
- Non-Executive Director of Express Credit Cash Advance
- Non-Executive Director of Namibia Infrastructure Finance Company

### Executive team

At 31 December 2023, the management team of the NSX comprised of:



*Tiaan  
Bazuin*

#### **CEO and Executive Director**

**Elected to the Board:** April 2021

**Years of service:** 12 years

**Category represented:** General business community

BCom (Economics and Law), LLB, Admitted as a Legal Practitioner in the High Court of Namibia

Mr Bazuin has a BCom and LLB degrees from the North West University in South Africa. He was admitted as a legal practitioner in the High Court of Namibia in 2006. He has broad management experience in banking, telecommunications and capital markets. Mr Bazuin was appointed the CEO of the NSX in 2013.

He has served on various boards and was the Chairman of the Namibian Employers Association. Tiaan is a co-author of the NamCode. Mr Bazuin is responsible for:

- The overall management of the NSX.
- Defining and implementing the overall strategy.
- Making major corporate decisions.
- Supervising the performance of the other executives.
- Acting as the public face of the NSX.

#### **Other directorships**

- Chair of the Audit and Risk Committee of the Law Society of Namibia.
- Executive Chairman of the Central Securities Depository Limited
- Trustee of Namibia Medical Care.



*Alexandra  
Ullrich*

#### **Chief Financial Officer (CFO) and Transfer Secretaries Manager**

**Appointed:** January 2018 as CFO

**Years of service:** 8 years

BCom (Accounting), BCom Honours (Chartered Accounting), CA(Nam)

As CFO, Ms Ullrich is responsible for the financial management of the NSX and its subsidiaries. In addition, she is involved in developing and implementing divisional business plans to support the Exchange's long-term vision. She is responsible for corporate actions for Issuers, including listed and unlisted entities.

In her previous role as an Audit Supervisor, she gained exposure to various entities, including tourism, insurance, mineral exploration, publishing and property. Ms Ullrich is responsible for:

- Overseeing financial operations.
- Reviewing and approving payments, including payroll.
- Overseeing the creation of monthly accounts.
- Drafting accurate financial reports and statements.
- Evaluating, enhancing, implementing and monitoring internal controls.
- Liaison with the auditors.





### **Chief Information Officer (CIO)**

**Appointed:** January 2018 as CIO

**Years of service:** 23 years (NSX and Transfer Secretaries (Pty) Limited)

Higher Certificate in Office Administration

Ms Saal has more than 20 years of experience in the stock exchange and transfer secretaries industry. She has completed courses in the international equity markets from the Securities Institute London.

She leads the information management function at the NSX, where she is responsible for implementing and monitoring current technology to maximise the effectiveness of the Exchange's systems. She is involved in planning and implementing long-term strategic initiatives to ensure the integration of current and future technologies. Ms Saal is responsible for the following functions at the NSX:

- Developing reports on trading activity,
- Surveillance of trading activities
- Sponsorship of the Namibian Scholars Investment Challenge including presenting to schools and universities.
- Liaison and reporting for the WFE, CoSSE, ASEA and the NSX website.
- Approving NENS announcements.
- Assessing listing applications.
- Overseeing initiatives to reunite unclaimed dividends with shareholders.



### **Chief Regulatory Officer (CRO)**

**Appointed:** April 2021

**Years of service:** 3 years

LLB and LLM (Company Law), Admitted as a Legal Practitioner in the High Courts of Namibia and South Africa

As the CRO, a role established in 2021, Ms Shejavali-Lungu is responsible for all regulatory matters including stakeholder management with regulators, managing various capital projects related to the infrastructure of the NSX, and attending to company secretarial-related matters.

Namene has more than 18 years of experience in legal and management positions. This includes assisting large South African, Namibian and international companies in negotiating major corporate law and commercial transactions. She has extensive expertise in commercial law, corporate governance and company secretarial matters. As the CRO, Ms Shejavali-Lungu is responsible for:

- Company secretarial duties (detailed on page 32).
- Supporting the delivery of key projects including demutualisation and the CSD.
- Monitoring the legal landscape and ensuring compliance with relevant laws and regulations.
- Drafting and reviewing contracts and agreements.
- Reviewing listings applications.
- Review NENS announcements and bi-weekly NSX End of Day Reports.
- Completing questionnaires from organisations such as the Official Monetary and Financial Institutions Forum.
- Liasing with the JSE, brokers and Strate.
- Assisting with recruitment and disciplinary processes.

## Corporate governance review continued

### Board remuneration

The annual fee for the Board is split into a retainer and a meeting attendance fee. In 2023, directors' fees were based on a retainer of N\$23,396 for each Board member and a sitting fee of N\$11,698 for meetings attended. The Chairman received a retainer of N\$40,943. The Audit Committee and Listings Committee Chairs each received a retainer of N\$35,904.

Board members	Date of election or re-election	2023						2022
		Total N\$	Retainer N\$	30 Mar	15 Jun	14 Sep	5 Dec	Total N\$
C Bazuin	Elected 30 April 2021	–	–	✓	✓	✓	✓	–
O Capelao	Resigned 26 April 2023	17,547	5,849	✓	–	–	–	44,101
S De Bruin	Elected 26 April 2023	40,943	17,547	–	–	✓	✓	–
H Gerdes	Re-elected 30 April 2021	70,188	23,396	✓	✓	✓	✓	66,151
B Hansen	Re-elected 27 April 2022	70,188	23,396	✓	✓	✓	✓	55,126
P Ithindi	Elected 26 April 2023	52,641	17,547	–	✓	✓	✓	–
G Marais	Re-elected 27 April 2022	87,735	40,943	✓	✓	✓	✓	66,151
D Nuyoma	Resigned 26 April 2023	23,396	11,698	✓	–	–	–	88,202
D Smit	Re-elected 26 April 2023	58,490	23,396	✓	–	✓	✓	66,151
M Smith	Re-elected 26 April 2023	58,490	23,396	✓	✓	–	✓	66,151
M Späth	Re-elected 30 April 2021	58,490	23,396	–	✓	✓	✓	66,151
<b>Total</b>		<b>538,108</b>	<b>210,564</b>					<b>518,184</b>

### Proposed Board fees for 2024

For 2024, the proposed Directors' fees are a retainer of N\$23,396 for each Board member and a sitting fee of N\$11,698 for meetings attended. The proposed fee for the Chairman is a retainer of N\$46,792. The Audit Committee and Listings Committee Chair will each receive a retainer of N\$35,904.

# Board Committees

*The Board delegated certain functions to well-structured committees without abdicating its own responsibilities.*

The Board committees each have Charters that set out, among others, the objectives, composition, meetings and procedures, duties and responsibilities, and authority of the relevant committee member. Each committee is comprised of members who are suitably skilled to perform the role required and is chaired by suitably qualified members.

The Board has established the following committees:

- Audit, Risk and Investment Committee
- Remuneration Committee
- Listings Committee
- Marketing and Branding Committee
- IT Committee
- Brokers Screening and Disciplinary Committee
- Demutualisation Committee

## Audit, Risk and Investment Committee feedback

<b>Areas of responsibility</b>	<p>The Audit, Risk and Investment Committee reviews the annual financial statements of the NSX, its subsidiaries and the Guarantee Fund, and to make appropriate recommendations regarding their approval to the Board.</p> <p>The committee maintains an understanding of the various risks the NSX faces and ensures that appropriate mitigation is in place to address key risk areas. Refer to page 46 for more information on risk management.</p>
<b>Composition</b>	<ul style="list-style-type: none"> <li>■ Three Non-Executive Directors</li> <li>■ D Smit (Chairman), O Capelao*, S de Bruin, B Hansen</li> </ul>
<b>Other invitees</b>	<ul style="list-style-type: none"> <li>■ Board Chairman</li> <li>■ CEO</li> <li>■ CFO</li> <li>■ NAMFISA representative</li> </ul>
<b>Meeting policy</b>	Minimum of twice per year to review the audit plan, annual financial results and other significant audit issues
<b>Areas of focus for 2023</b>	<ul style="list-style-type: none"> <li>■ Reviewed the external audit plan, including the proposed audit scope, the effectiveness of the audit and the audit fee.</li> <li>■ Reviewed and recommended the audited annual financial statements for Board approval.</li> <li>■ Reviewed and recommended the 2022 Annual Report for Board approval.</li> <li>■ Reviewed the accounting policies adopted by the NSX.</li> <li>■ Reviewed the basis on which the NSX has been determined a going concern and made a recommendation to the Board in terms of going concern.</li> <li>■ Reviewed the risk management process and plan.</li> <li>■ Noted, reviewed, updated and approved the Audit and Risk Charter as well as the Investment Charter. Liaised with external auditors to determine the effectiveness of finance function and controls.</li> </ul>
<b>Conclusion</b>	The Audit, Risk and Investment Committee executed its duties during the year in line with its roles and responsibilities as outlined above.
<b>Future focus areas</b>	<ul style="list-style-type: none"> <li>■ Developing a risk register and a risk mitigation plan.</li> <li>■ Evaluating new revenue streams.</li> <li>■ Providing input into major projects including the CSD and demutualisation.</li> </ul>

\* Stepped down from the Board and Audit, Risk and Investment Committee on 26 April 2023.

## Corporate governance review continued

### Internal controls

The Board, supported by the Audit, Risk, and Investment Committee, is of the opinion, based on the information and explanations presented by management, that NSX's internal controls are effective and can be relied upon in compiling the annual financial statements and maintaining accountability for assets and liabilities. This was confirmed by the receipt of an unqualified independent audit report.

The Board believes that NSX's assets are protected and used as intended with appropriate authorisation. Nothing came to the Board's attention that indicates any material breakdown in the functioning of these controls, procedures, and systems occurred in 2023.

### Preparation of annual financial statements

In preparing the annual financial statements, the NSX has used appropriate accounting policies supported by reasonable and prudent judgments and estimates. The NSX has complied with IFRS.

The Board, supported by the Audit, Risk and Investment Committee, believes that the annual financial statements

fairly present the financial position, financial performance and cash flow information for the year ended 31 December 2023.

### Going concern

The Board, supported by The Audit, Risk and Investment Committee, has a reasonable expectation that the NSX and the Group have adequate resources to continue in operational existence for the foreseeable future. For this reason, they adopt the going concern basis in preparing the annual financial statements.

The going concern basis of preparation assumes that the NSX will continue operating in the foreseeable future and that the NSX will be able to realise its assets and discharge its liabilities in the normal course of business. The going concern assumption is based on the financial results for 2023.

### Events after the reporting period

There were no material subsequent events between the statement of the financial position date and the date the annual financial statements were approved.

### Meeting attendance and remuneration for the year

Committee members	2023				2022
	Total N\$	Retainer N\$	23 Mar	6 Dec	Total N\$
O Capelao	20,471	8,773	✓	–	55,126
S De Bruin	11,698	–	–	✓	–
B Hansen	23,396	–	✓	✓	22,050
D Smit	49,717	26,321	✓	✓	22,050
	<b>105,282</b>	<b>35,094</b>			<b>99,226</b>

### Remuneration Committee feedback

<b>Areas of responsibility</b>	This committee is responsible for strategic human resources issues such as managerial succession planning, human resources policies, and the remuneration of staff and office-bearers and attendance fees for Board members.
<b>Composition</b>	<ul style="list-style-type: none"> <li>■ Three Non-Executive Directors</li> <li>■ H Gerdes (Chairman), P Ithindi, D Smit</li> </ul>
<b>Other invitees</b>	<ul style="list-style-type: none"> <li>■ Board Chairman</li> <li>■ NAMFISA representative</li> </ul>
<b>Meeting policy</b>	Minimum of once per year.
<b>Conclusion</b>	The committee executed its duties during the year in line with its roles and responsibilities as outlined above.

## Meeting attendance and remuneration for the year

Committee members	Total N\$	2023		2022
		23 Mar	6 Dec	Total N\$
H Gerdes	11,698	✓	✓	5,513
P Ithindi	5,849	–	✓	–
G Marais	11,698	✓	✓	5,513
D Smit	11,698	–	–	–
	<b>40,943</b>			<b>11,026</b>

## Listings Committee feedback

<b>Areas of responsibility</b>	The committee is responsible for granting, reviewing, suspending or terminating a listing of any listed security or article available for trade on the NSX. The committee has the power to adopt, make, amend and rescind the Rules, NSX Directives and Listings Requirements to ensure that these comply with the SECA Act. In general, the committee plays a role to govern, control, manage the affairs of its broking members and Issuers of listed securities.
<b>Composition</b>	<p>The Listing Committee includes the Board members and representatives of major accounting and legal firms in Namibia.</p> <ul style="list-style-type: none"> <li>■ All Non-Executive Directors are members of the Listing Committee.</li> <li>■ J Badenhorst, S de Bruin, H Bossau (Deputy Chairman), JJG Cornelissen, J Mandy, R Mostert, K Ndilula, R Mostert, A Swanepoel</li> </ul>
<b>Other invitees</b>	<ul style="list-style-type: none"> <li>■ Board Chairman</li> <li>■ CEO</li> <li>■ CRO</li> <li>■ CFO</li> <li>■ NAMFISA representative</li> </ul>
<b>Meeting policy</b>	The committee meets on an ad hoc basis to approve all primary listing applications and the approval of note programmes for non-Government bonds.
<b>Conclusion</b>	The committee executed its duties during the year in line with its roles and responsibilities as outlined above.

## Meeting attendance and remuneration for the year

The Chairman and Deputy Chairman of the Listings Committee are each paid a retainer in addition to the meeting fee for consultations during the year on listing requirement interpretations.

Committee members	2023		2022
	Total N\$	Retainer N\$	Total N\$
H Bossau	23,396	23,396	22,051
H Gerdes	35,094	35,094	36,384
D Smit	–	–	3,308
M Späth	–	–	3,308
	<b>58,490</b>	<b>58,490</b>	<b>65,051</b>

## Corporate governance review continued

### Marketing and Branding Committee

<b>Areas of responsibility</b>	<p>The committee assists the Board in discharging its responsibilities regarding adhering to section G of the NSX Rules on advertising in relation to a member of the NSX, reviewing and agreeing on the corporate profile and issues related to the branding and image of the Exchange.</p> <p>In addition, the committee provides overall guidance and direction for marketing infrastructure and marketing communications, including publications and promotional programmes. The committee contributes towards the implementation of successful promotional programmes.</p>
<b>Composition</b>	<ul style="list-style-type: none"> <li>■ Two Non-Executive Directors, including representation from two of the stockbrokers on the Board.</li> <li>■ B Hansen, M Smith</li> </ul>
<b>Other invitees</b>	<ul style="list-style-type: none"> <li>■ Board Chairman</li> <li>■ CEO</li> <li>■ CIO</li> <li>■ CRO</li> <li>■ CFO</li> <li>■ NAMFISA representative</li> </ul>
<b>Meeting policy</b>	The committee meets on an ad hoc basis to review matters under its mandate.
<b>Conclusion</b>	The committee executed its duties during the year in line with its roles and responsibilities as outlined above.

### Meeting attendance and remuneration for the year

Committee members	2023 Total N\$	2022 Total N\$
B Hansen	–	5,513
M Smith	–	5,513
	–	<b>11,026</b>

### IT Committee

<b>Areas of responsibility</b>	<p>The committee oversees the promotion of ethical IT governance and management and awareness of a common IT language. The committee reviews and recommends the Group IT strategy and amendments and ensures that aligns with the Group's strategy. This includes ensuring that the Group IT strategy and Group IT Policy are aligned with the business strategies of the Group.</p>
<b>Composition</b>	<ul style="list-style-type: none"> <li>■ Two Non-Executive Directors, including representation from two of the stockbrokers on the Board.</li> <li>■ M Smith (Chairman), M Späth</li> </ul>
<b>Other invitees</b>	<ul style="list-style-type: none"> <li>■ Board Chairman</li> <li>■ CEO</li> <li>■ CIO</li> <li>■ CRO</li> <li>■ CFO</li> <li>■ NAMFISA representative</li> </ul>
<b>Meeting policy</b>	The committee meets on an ad hoc basis to review matters under its mandate. The committee did not meet in 2023.
<b>Conclusion</b>	The committee executed its duties during the year in line with its roles and responsibilities as outlined above.

## The Brokers Screening and Disciplinary Committee feedback

<b>Areas of responsibility</b>	The committee reviews all applications for broking membership to determine if an applicant meets the requirements the NSX Rules. The Committee also has the responsibility of ensuring adherence to the Supervision and Enforcement Rules contained in the NSX Rules, fairness in membership and disciplinary matters and ensuring that stockbrokers, corporate members and their employees comply with SECA, the NSX Rules and Directives.
<b>Composition</b>	<ul style="list-style-type: none"> <li>■ One Non-Executive Director, including one External member on the Board.</li> <li>■ H Gerdes (Chairman), A Swanepoel</li> </ul>
<b>Other invitees</b>	<ul style="list-style-type: none"> <li>■ Board Chairman</li> <li>■ CEO</li> <li>■ CRO</li> <li>■ CFO</li> <li>■ NAMFISA representative</li> </ul>
<b>Meeting policy</b>	The committee meets on an ad hoc basis to review matters under its mandate.
<b>Conclusion</b>	The committee executed its duties during the year in line with its roles and responsibilities as outlined above.

## Demutualisation Committee

<b>Areas of responsibility</b>	The committee assists the Board in discharging its responsibilities related to the promulgated Financial Institutions and Markets Bill and gazetted standards issues by NAMFISA.,
<b>Composition</b>	<ul style="list-style-type: none"> <li>■ Four Non-Executive Directors, including representation from one of the stockbrokers on the Board.</li> <li>■ H Gerdes (Chairman), B Hansen, M Smith, D Smit</li> </ul>
<b>Other invitees</b>	<ul style="list-style-type: none"> <li>■ Board Chairman</li> <li>■ CEO</li> <li>■ CRO</li> <li>■ CFO</li> <li>■ NAMFISA representative</li> </ul>
<b>Meeting policy</b>	The committee meets on an ad hoc basis to review matters under its mandate.
<b>Conclusion</b>	The committee executed its duties during the year in line with its roles and responsibilities as outlined above.

## Meeting attendance and remuneration for the year

The committee receives compensation for their services.

Demutualisation Committee members	2023				2022
	Total N\$	31 May	12 Jul	6 Nov	Total N\$
H Gerdes	17,547	✓	✓	✓	5,513
B Hansen	17,547	✓	✓	✓	5,513
D Smit	5,849	–	–	✓	–
M Smith	17,547	✓	✓	✓	5,513
	<b>58,490</b>				<b>16,539</b>

# Risk governance and management

*The NSX’s effective risk governance and management aims to control, as much as possible, future outcomes by acting proactively rather than reactively. Its risk structures aim to reduce the possibility of a risk occurring and its potential impact.*

The NSX defines risk as any potential event which could prevent the achievement of a business objectives. Risks are measured in terms of impact and likelihood.

The NSX’s Risk Management Policy aims to identify, analyse and respond appropriately to all risks. The risk responses selected are determined by the appetites and tolerances for risks. These will vary over time according to the specific business objectives, for example, strategic, operational or asset protection.

The Risk Management Policy is reviewed annually by the Board to ensure its continued relevance. The effectiveness of risk management and control measures is regularly reported to and actioned by the Board. In addition, independent reviews on the effectiveness of risk management and control measures are conducted periodically. The policy adopts the following key principles for managing risk:

- To achieve the NSX’s business objectives, risks must be considered and managed enterprise-wide.
- Risk management is integral to the strategic planning process, business decision-making and day-to-day operations.
- Risks are identified, analysed, responded to, monitored and reported on as per the NSX’s policies and procedures.
- Risk responses must be tailored to each particular business circumstance.
- Management must regularly assess the status of risk and risk responses.
- Compliance with the Risk Management Framework must be monitored and reported.

## Responsibilities and risk management process

The Board is responsible for the Risk Management Framework. The Audit, Risk, and Investment Committee assists the Board in identifying, evaluating, monitoring, and mitigating actual and potential risks. The senior leadership team, under the CEO’s direction, is responsible for implementing the strategy and overseeing the culture, people, processes, and structures that constitute the Risk Management Framework.

NSX adopted the ORCA approach to ensure consistent risk management application by all employees in executing strategy, achieving business objectives, and managing day-to-day operations.

<b>Objectives</b>	Goals and results that the NSX aims to achieve.
<b>Risks</b>	Any potential event which could prevent the achievement of an objective.
<b>Control</b>	Management’s response to risks.
<b>Alignment</b>	Alignment of the NSX’s objectives, risks and controls across the enterprise as determined by its appetites and tolerances for risks.

NSX’s Enterprise Risk Management Process is a continuous cycle of identifying, analysing, responding, monitoring, and reporting. Regular and meaningful communication at every step is essential for successful risk management.



Risk identification is performed as part of all major decision-making processes, including major strategic decisions, processes or systems changes, adoption of new projects and project planning. As part of its risk management procedures, the NSX has extensive insurance cover across all areas of its business and regularly reviews the mandatory insurance cover held by its members and the capital in the Guarantee Fund.

The NSX monitors and responds to risks in its environment including those related to regulation, technology and systems, reputation, liquidity and changing market dynamics and sentiment. In 2024, the NSX will develop a risk management plan and formal risk register.

## Business continuity

Business continuity is the ability to continue to deliver core products and services in the event of a material business incident or disruption. Adequate business continuity planning addresses the protection of an organisation's employees and reputation.

Management ensures that the business continuity arrangements are appropriate, complete and updated. With the small employee complement, emphasis is placed on a blended skills approach for employees to enable a coordinated response during unexpected circumstances. The succession planning framework is presented to the Remuneration Committee annually for in-depth discussion and is approved by the Board.

The IT function of the NSX Group is outsourced in its entirety, and the Disaster Recovery Plan in place details that the data is continuously being backed up and tested by the IT function. There is a server on site, a server with the IT provider, and data updates and retention also occur in the cloud. Should unforeseen circumstances occur at the NSX premises, a workstation will be set up by the IT provider off-site within the hour and business will commence.

# Audited Annual Financial Statements

## for 31 December 2023

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## Director's Responsibilities and Approval

The directors are required in terms of the Companies Act 28 of 2004, as amended 2007 and the Stock Exchange Control Act (Act 1 of 1985) to maintain adequate accounting records and are responsible for the content and integrity of the annual financial statements and related financial information included in this report. It is their responsibility to ensure that the annual financial statements fairly present the state of affairs of the group as at the end of the financial year and the results of its operations and cash flows for the period then ended, in conformity with International Financial Reporting Standards. The external auditors are engaged to express an independent opinion on the annual financial statements.

The annual financial statements are prepared in accordance with International Financial Reporting Standards and are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgements and estimates.

The directors acknowledge that they are ultimately responsible for the system of internal financial control established by the group and place considerable importance on maintaining a strong control environment. To enable the directors to meet these responsibilities, the directors set standards for internal control aimed at reducing the risk of error or loss in a cost-effective manner. The standards include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties to ensure an acceptable level of risk. These controls are monitored throughout the group and all employees are required to maintain the highest ethical standards in ensuring the group's business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the group is on identifying, assessing, managing and monitoring all known forms of risk across the group. While operating risk cannot be fully eliminated, the group endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

The directors are of the opinion, based on the information and explanations given by management, that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the annual financial statements. However, any system of internal financial control can provide only reasonable, and not absolute, assurance against material misstatement or loss.

The directors have reviewed the group's cash flow forecast for the year to 31 December 2024 and, in light of this review and the current financial position, they are satisfied that the group has access to adequate resources to continue in operational existence for the foreseeable future.

The external auditors are responsible for independently auditing and reporting on the group's annual financial statements. The annual financial statements have been examined by the group's external auditors and their report is presented on pages 50 to 51.

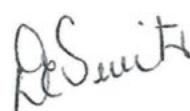
The annual financial statements set out on page 50 to 91, which have been prepared on the going concern basis, were approved by the board of directors on 29 April 2024 and were signed on their behalf by:

### Approval of Financial Statements




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GD Marais (Chairman)




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DE Smit

## **INDEPENDENT AUDITOR'S REPORT** **To the Members of Namibian Stock Exchange** **For the year ended 31 December 2023**

### **Opinion**

We have audited the consolidated and separate financial statements of Namibian Stock Exchange ("NSX") and its subsidiaries (the "Group") set out on pages 52 to 89 which comprise the consolidated and separate statements of financial position as at 31 December 2023, consolidated and separate statements of profit or loss and other comprehensive income, the consolidated and separate statements of changes in equity and the consolidated and separate statements of cash flows for the year then ended, and the notes to the consolidated and separate annual financial statements, including material accounting policy information and the directors report. In our opinion, the consolidated and separate annual financial statements present fairly, in all material respects, the consolidated and separate financial position of the NSX as at 31 December 2023 and its consolidated and separate financial performance and consolidated and separate cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board.

### **Basis for Opinion**

We conducted our audit in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants International Code of Ethics for Professional Accountants (including International Independence Standards) and other independence requirements applicable to performing audits of financial statements in Namibia. We have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Other Information**

The directors are responsible for the other information. The other information comprises the Directors' responsibility and approval of the annual financial statements on page 49 and the detailed income statement as set out on page 90 to 91 which we obtained prior to the date of this audit report. The other information does not include the consolidated and separate annual financial statements and our auditor's report thereon.

Our opinion on the consolidated and separate annual financial statements does not cover the other information and we do not and will not express an opinion or any form of assurance conclusion thereon.

In connection with our audit of the consolidated and separate annual financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated and separate annual financial statements, or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this audit report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.



# INDEPENDENT AUDITOR'S REPORT

## To the Members of Namibian Stock Exchange (continued)

### Responsibilities of Directors for the Consolidated and Separate Annual Financial Statements.

The directors are responsible for the preparation and fair presentation of the consolidated and separate financial statements in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board and for such internal control as the directors determines is necessary to enable the preparation of consolidated and separate annual financial statements that are free from material misstatement, whether due to fraud or error.

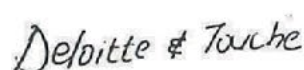
In preparing the consolidated and separate annual financial statements, the directors are responsible for assessing the NSX and Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intends to liquidate the NSX or the Group to cease operations, or has no realistic alternative but to do so.

### Auditor's Responsibilities for the Audit of the Consolidated and Separate Annual Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated and separate annual financial statements as a whole are free from material misstatement, whether due to fraud or error and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated and separate annual financial statements. As part of an audit in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated and separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the NSX and Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the NSX or Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the annual financial statements or, if such disclosures are inadequate, to modify our opinion. However, future events or conditions may cause the NSX or Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure, and content of the consolidated and separate annual financial statements, including the disclosures, and whether the consolidated and separate annual financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated annual financial statements. We are responsible for the direction, supervision, and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



**Deloitte & Touche**  
 Registered Accountants and Auditors  
 Chartered Accountants (Namibia)  
 Per: Piquet Parry  
 Partner  
 Windhoek  
 30 April 2024

# Directors' Report

The directors have pleasure in submitting their report on the annual financial statements of the Namibian Stock Exchange Group for the year ended 31 December 2023.

## 1. Nature of business

Namibian Stock Exchange Group was incorporated in Namibia. The activities of the group are undertaken through the company and its principal subsidiaries. The group operates in Namibia.

The Namibian Stock Exchange is a not-for-profit association. Furthermore, the Guarantee Fund, was established by the Namibian Stock Exchange for the protection of investors as mandated by section 30 of the Stock Exchanges Control Act (Act 1 of 1985). Additionally, it is highlighted that both the Namibian Stock Exchange and the Guarantee Fund are exempt from normal taxation under section 16(1)(d) of the Income Tax Act, No. 24 of 1981. Conversely, the operating subsidiaries are subject to regular taxation in accordance with the provisions of the Income Tax Act, No. 24 of 1981.

The group's business encompasses stock exchange operations, transfer agent services, property ownership management, an investor protection guarantee fund, and central depository services tailored for the Namibian market. There have been no material changes to the nature of the group's business from the prior year.

## 2. Review of financial results and activities

The consolidated annual financial statements have been prepared in accordance with International Financial Reporting Standards and the requirements of the Companies Act 28 of 2004, as amended 2007 and the Stock Exchange Control Act (Act 1 of 1985). The accounting policies have been applied consistently compared to the prior year.

The full details of the financial position, results of operations and cash flows of the group is set out in these annual financial statements. The net profit for the year of the group is, respectively, N\$ 13,961,649 (2022: N\$ 5,802,344) and the net assets as at 31 December 2023 is, respectively, N\$ 134,723,709 (2022: N\$ 120,537,060).

## 3. Dividends

The board of directors do not recommend the declaration of a dividend for the year (2022: Nil).

## 4. Directorate

The directors in office at the date of this report are as follows:

Directors	Office	Designation	Changes
AP Ithindi		Non-executive Independent	Appointed 26 April 2023
B Hansen		Non-executive	
C Bazuin	Chief Executive Officer	Executive	
D Nuyoma		Non-executive Independent	Resigned 26 April 2023
DE Smit		Non-executive Independent	Appointed 26 April 2023
GD Marais	Chairman	Non-executive Independent	
HB Gerdes		Non-executive Independent	
M Smith		Non-executive	Appointed 26 April 2023
M Späth		Non-executive	
O Capelao		Non-executive Independent	Resigned 26 April 2023
S De Bruin		Non-executive Independent	Appointed 26 April 2023

## Directors' Report

### 5. Events after the reporting period

Subsequent to the reporting period, on March 11, 2024, the Central Securities Depository Limited was granted its Central Securities Depository (CSD) license by NAMFISA. This event is disclosed to provide users of the financial statements with relevant information regarding subsequent events that may affect the group's future financial position and performance.

The Central Securities Depository Limited is currently undergoing the process of obtaining its license from the National Payment System department within the Bank of Namibia.

### 6. Going concern

The annual financial statements have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business.

The directors believe that the group has adequate financial resources to continue in operation for the foreseeable future and accordingly the annual financial statements have been prepared on a going concern basis. The directors have satisfied themselves that the group is in a sound financial position and that it has access to sufficient readily accessible funds to meet its foreseeable cash requirements. The directors are not aware of any new material changes that may adversely impact the group. The directors are also not aware of any material non-compliance with statutory or regulatory requirements or of any pending changes to legislation which may affect the group.

### 7. Secretary

The company secretary is Mrs N Shejavali-Lungu.

Postal address: PO Box 2401  
Windhoek  
Namibia

Business address: 4 Robert Mugabe Avenue  
Windhoek  
Namibia

### 8. Transition to CaseWare for financial statement preparation and disclosure adjustments

We wish to inform stakeholders that the preparation of our financial statements has transitioned from a manual system to CaseWare. This change necessitated adjustments to the layout of disclosures. However, it is important to note that the comparative figures from the prior year remain fundamentally unchanged.

## Statement of Financial Position as at 31 December 2023

Figures in Namibia Dollar	Note(s)	Group		Company	
		2023	2022	2023	2022
<b>Assets</b>					
Non-Current Assets					
Equipment and intangibles	3	1,508,076	351,280	984,024	125,282
Fixed property	4	7,760,000	7,535,000	-	-
Investments in subsidiaries	5	-	-	1,335,140	1,335,140
Loans to group companies	6	-	-	3,819,068	4,009,919
Investments at fair value	8	74,753,487	64,684,687	57,992,259	50,332,355
		<b>84,021,563</b>	<b>72,570,967</b>	<b>64,130,491</b>	<b>55,802,696</b>
Current Assets					
Loans to group companies	6	-	-	212,969	81,790
Trade and other receivables	7	2,426,460	2,060,632	1,526,778	1,563,331
Current tax receivable	11	56,223	8,541	-	-
Other investments (at amortised cost)	10	36,572,868	46,375,755	31,728,505	44,529,266
Cash and cash equivalents	12	25,305,337	11,112,406	21,938,437	5,857,813
		<b>64,360,888</b>	<b>59,557,334</b>	<b>55,406,689</b>	<b>52,032,200</b>
<b>Total Assets</b>		<b>148,382,451</b>	<b>132,128,301</b>	<b>119,537,180</b>	<b>107,834,896</b>
<b>Equity and Liabilities</b>					
<b>Equity</b>					
Members' contribution	13	2,320,500	2,320,500	2,320,500	2,320,500
Total Reserves		1,439,700	1,214,700	500,000	500,000
Retained income		135,122,228	120,477,560	107,777,271	96,765,984
		138,882,428	124,012,760	110,597,771	99,586,484
Non-controlling interest		(4,158,719)	(3,475,700)	-	-
		<b>134,723,709</b>	<b>120,537,060</b>	<b>110,597,771</b>	<b>99,586,484</b>
<b>Liabilities</b>					
Non-Current Liabilities					
Loans from group companies	14	-	-	4,000	4,000
Deferred income	16	5,000,951	4,451,515	5,000,951	4,451,515
Deferred tax	9	461,324	355,674	-	-
Provision for severance pay	17	391,000	363,000	371,000	317,000
		<b>5,853,275</b>	<b>5,170,189</b>	<b>5,375,951</b>	<b>4,772,515</b>
Current Liabilities					
Trade and other payables	18	3,262,441	2,618,754	2,559,609	2,174,229
Loans from group companies	14	-	-	308,555	644,596
Loans from shareholders	15	3,847,732	3,145,226	-	-
Deferred income	16	695,294	657,072	695,294	657,072
		<b>7,805,467</b>	<b>6,421,052</b>	<b>3,563,458</b>	<b>3,475,897</b>
<b>Total Liabilities</b>		<b>13,658,742</b>	<b>11,591,241</b>	<b>8,939,409</b>	<b>8,248,412</b>
<b>Total Equity and Liabilities</b>		<b>148,382,451</b>	<b>132,128,301</b>	<b>119,537,180</b>	<b>107,834,896</b>



## Statement of Profit or Loss and Other Comprehensive Income

Figures in Namibia Dollar	Note(s)	Group		Company	
		2023	2022	2023	2022
Revenue	19	15,392,018	16,824,873	11,233,116	12,539,670
Other operating income	20	8,712	81,258	1,898,881	1,889,067
Other operating gains	21	82,811	2,279	72,353	2,279
Other operating expenses		(15,834,258)	(13,972,423)	(14,780,406)	(12,955,642)
<b>Operating (loss) / profit</b>	22	<b>(350,717)</b>	<b>2,935,987</b>	<b>(1,576,056)</b>	<b>1,475,374</b>
Investment income	23	7,030,241	4,661,432	6,631,393	4,574,060
Finance costs	24	(412,426)	(259,172)	-	-
Fair value gains / (losses) on investments at fair value	25	7,800,201	(1,350,302)	5,955,949	(540,969)
<b>Profit before taxation</b>		<b>14,067,299</b>	<b>5,987,945</b>	<b>11,011,286</b>	<b>5,508,465</b>
Taxation	26	(105,650)	(185,601)	-	-
<b>Profit for the year</b>		<b>13,961,649</b>	<b>5,802,344</b>	<b>11,011,286</b>	<b>5,508,465</b>
<b>Other comprehensive income:</b>					
<b>Items that will not be reclassified to profit or loss:</b>					
Gains / (losses) on property revaluation		225,000	(65,000)	-	-
<b>Other comprehensive income for the year net of taxation</b>	27	<b>225,000</b>	<b>(65,000)</b>	-	-
<b>Total comprehensive income for the year</b>		<b>14,186,649</b>	<b>5,737,344</b>	<b>11,011,286</b>	<b>5,508,465</b>
<b>Profit attributable to:</b>					
Owners of the parent		14,644,668	6,327,835	11,011,286	5,508,465
Non-controlling interest		(683,019)	(525,491)	-	-
		<b>13,961,649</b>	<b>5,802,344</b>	<b>11,011,286</b>	<b>5,508,465</b>
<b>Total comprehensive income attributable to:</b>					
Owners of the parent		14,869,668	6,262,835	11,011,286	5,508,465
Non-controlling interest		(683,019)	(525,491)	-	-
		<b>14,186,649</b>	<b>5,737,344</b>	<b>11,011,286</b>	<b>5,508,465</b>

## Statement of Changes in Equity

	Share capital	Revaluation reserve	Insurance reserve	Total reserves	Retained income	Total attributable to equity holders of the group/ company	Non-controlling interest	Total equity
Figures in Namibia Dollar								
<b>Group</b>								
<b>Balance at 1 January 2022</b>	<b>2,320,500</b>	<b>779,700</b>	<b>500,000</b>	<b>1,279,700</b>	<b>114,149,724</b>	<b>117,749,924</b>	<b>(2,950,209)</b>	<b>114,799,715</b>
Profit for the year	-	-	-	-	6,327,836	6,327,836	(525,491)	5,802,345
Other comprehensive income	-	(65,000)	-	(65,000)	-	(65,000)	-	(65,000)
<b>Total comprehensive income for the year</b>	<b>-</b>	<b>(65,000)</b>	<b>-</b>	<b>(65,000)</b>	<b>6,327,836</b>	<b>6,262,836</b>	<b>(525,491)</b>	<b>5,737,345</b>
<b>Balance at 1 January 2023</b>	<b>2,320,500</b>	<b>714,700</b>	<b>500,000</b>	<b>1,214,700</b>	<b>120,477,560</b>	<b>124,012,760</b>	<b>(3,475,700)</b>	<b>120,537,060</b>
Profit for the year	-	-	-	-	14,644,668	14,644,668	(683,019)	13,961,649
Other comprehensive income	-	225,000	-	225,000	-	225,000	-	225,000
<b>Total comprehensive income for the year</b>	<b>-</b>	<b>225,000</b>	<b>-</b>	<b>225,000</b>	<b>14,644,668</b>	<b>14,869,668</b>	<b>(683,019)</b>	<b>14,186,649</b>
<b>Balance at 31 December 2023</b>	<b>2,320,500</b>	<b>939,700</b>	<b>500,000</b>	<b>1,439,700</b>	<b>135,122,228</b>	<b>138,882,428</b>	<b>(4,158,719)</b>	<b>134,723,709</b>
Note(s)	13	27						
<b>Company</b>								
<b>Balance at 1 January 2022</b>	<b>2,320,500</b>	<b>-</b>	<b>500,000</b>	<b>500,000</b>	<b>91,257,519</b>	<b>94,078,019</b>	<b>-</b>	<b>94,078,019</b>
Profit for the year	-	-	-	-	5,508,465	5,508,465	-	5,508,465
<b>Total comprehensive income for the year</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>5,508,465</b>	<b>5,508,465</b>	<b>-</b>	<b>5,508,465</b>
<b>Balance at 1 January 2023</b>	<b>2,320,500</b>	<b>-</b>	<b>500,000</b>	<b>500,000</b>	<b>96,765,985</b>	<b>99,586,485</b>	<b>-</b>	<b>99,586,485</b>
Profit for the year	-	-	-	-	11,011,286	11,011,286	-	11,011,286
<b>Total comprehensive income for the year</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>11,011,286</b>	<b>11,011,286</b>	<b>-</b>	<b>11,011,286</b>
<b>Balance at 31 December 2023</b>	<b>2,320,500</b>	<b>-</b>	<b>500,000</b>	<b>500,000</b>	<b>107,777,271</b>	<b>110,597,771</b>	<b>-</b>	<b>110,597,771</b>
Note(s)								

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# Statement of Cash Flows

Figures in Namibia Dollar	Note(s)	Group		Company	
		2023	2022	2023	2022
<b>Cash flows from operating activities</b>					
Cash receipts from customers		15,694,913	17,385,935	13,828,561	14,400,179
Cash paid to suppliers and employees		(14,998,386)	(14,500,041)	(13,549,015)	(12,412,276)
Cash generated from operations	30	696,527	2,885,894	279,546	1,987,903
Interest income	23	7,030,241	3,311,132	6,631,393	4,033,092
Tax paid	31	(47,682)	(105,084)	-	-
<b>Net cash from operating activities</b>		<b>7,679,086</b>	<b>6,091,942</b>	<b>6,910,939</b>	<b>6,020,995</b>
<b>Cash flows from investing activities</b>					
Purchase of equipment and intangibles	3	(1,320,981)	(134,976)	(941,958)	(16,930)
Proceeds from sale of property, plant and equipment	3	10,458	4,997	-	4,997
Cash advances to group companies	6	-	-	(649,122)	-
Purchases of investments at fair value	8	(2,268,599)	(46,562,135)	(1,703,955)	(45,631,625)
Disposals of other investments (at amortised cost)	10	9,802,887	-	12,800,761	-
<b>Net cash from investing activities</b>		<b>6,223,765</b>	<b>(46,692,114)</b>	<b>9,505,726</b>	<b>45,643,558</b>
<b>Cash flows from financing activities</b>					
Repayments of loans from group companies	14	-	-	(336,041)	-
Cash advances received on loans from shareholders	15	290,080	-	-	-
<b>Net cash from financing activities</b>		<b>290,080</b>	<b>-</b>	<b>(336,041)</b>	<b>-</b>
<b>Total cash movement for the year</b>		<b>14,192,931</b>	<b>(40,600,172)</b>	<b>16,080,624</b>	<b>(39,622,563)</b>
Cash and cash equivalents at the beginning of the year		11,112,406	51,712,578	5,857,813	45,480,376
<b>Cash and cash equivalents at the end of the year</b>	12	<b>25,305,337</b>	<b>11,112,406</b>	<b>21,938,437</b>	<b>5,857,813</b>

# Accounting Policies

## 1. Material accounting policies

Management has considered the principles of materiality in IFRS Practice Statement 2 Making Materiality Judgements, and only those accounting policies which are considered material have been presented in these annual financial statements.

### 1.1 Basis of preparation

The consolidated and separate annual financial statements have been prepared on the going concern basis in accordance with, and in compliance with, International Financial Reporting Standards ("IFRS") and International Financial Reporting Standards Interpretations Committee ("IFRS IC") interpretations issued and effective at the time of preparing these annual financial statements and the Companies Act 28 of 2004, as amended 2007 and the Stock Exchange Control Act (Act 1 of 1985) as amended and the Constitution of the Namibian Stock Exchange as contained in the Namibian Stock Exchange Rules promulgated under Government Notice No. 151 of 12 September 1995, as amended from time to time.

The annual financial statements have been prepared on the historic cost convention, unless otherwise stated in the accounting policies which follow and incorporate the material accounting policies set out below. They are presented in Namibia Dollars, which is the group and company's functional currency.

These accounting policies are consistent with the previous year.

### 1.2 Consolidation

#### Basis of consolidation

The consolidated annual financial statements incorporate the annual financial statements of the company and all subsidiaries. Subsidiaries are entities which are controlled by the group.

The results of subsidiaries are included in the consolidated annual financial statements from the date of obtaining control until the date that control is lost.

The accounting policies of all subsidiaries are the same as those of the parent.

All inter-company transactions, balances, and unrealised gains on transactions between group companies are eliminated in full on consolidation. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

Non-controlling interests in the net assets of subsidiaries are identified and recognised separately from the group's interest therein, and are recognised within equity. Losses of subsidiaries attributable to non-controlling interests are allocated to the non-controlling interest even if this results in a debit balance being recognised for non-controlling interest.

#### Investments in subsidiaries in the separate financial statements

Investments in subsidiaries are carried at cost less any accumulated impairment losses in the separate financial statements.

### 1.3 Significant judgements and sources of estimation uncertainty

The preparation of annual financial statements in conformity with IFRS requires management, from time to time, to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. These estimates and associated assumptions are based on experience and various other factors that are believed to be reasonable under the circumstances. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

### 1.4 Equipment and intangibles

Equipment and intangibles are initially measured at cost.

Expenditure incurred subsequently for major services, additions to or replacements of parts of equipment and intangibles are capitalised if it is probable that future economic benefits associated with the expenditure will flow to the group and the cost can be measured reliably. Day to day servicing costs are included in profit or loss in the year in which they are incurred.

Equipment and intangibles are subsequently stated at cost less accumulated depreciation and impairment losses.

## Accounting Policies continued

### 1.4 Equipment and intangibles (continued)

The useful lives of items of equipment and intangibles have been assessed as follows:

Item	Depreciation method	Average useful life
Furniture and fixtures	Straight line	5 years
IT equipment	Straight line	3 years
Computer software	Straight line	3 years

The residual value, useful life and depreciation method of each asset are reviewed at the end of each reporting period. No material changes were made.

There were no indicators of impairment for equipment and intangibles and no impairment tests were performed.

### 1.5 Financial instruments

Financial instruments are recognised when the group becomes a party to the contractual provisions. They are measured, at initial recognition, at fair value plus transaction costs, if any.

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis.

The material accounting policies for each type of financial instrument held by the group are presented below:

#### Loans receivable at amortised cost

Management have assessed and classified loans to group companies, loans to shareholders, loans to directors, managers and employees, and loans receivable as financial assets at amortised cost.

The amortised cost, calculated using the effective interest method, is the amount recognised initially, minus principal repayments, plus cumulative amortisation of interest, adjusted for any loss allowance.

Interest income is calculated by applying the effective interest rate to the gross carrying amount of the loan in the application of the effective interest method. The gross carrying amount is the amortised cost before adjusting for a loss allowance.

An exception to the above applies to loans which have become credit impaired. The effective interest rate on these loans is applied to the amortised cost rather than the gross carrying amount in the determination of interest. The interest calculation reverts to applying the effective interest rate to the gross carrying amount when the loan is no longer credit impaired.

#### Trade and other receivables

Trade and other receivables, excluding, when applicable, VAT and prepayments, are measured, subsequent to initial recognition, at amortised cost.

The amortised cost is the amount recognised on the receivable initially, minus principal repayments, plus cumulative amortisation (interest) using the effective interest method of any difference between the initial amount and the maturity amount, adjusted for any loss allowance.

The accounting policy for impairment of trade and other receivables is set out in the loss allowances and write offs accounting policy.

## Accounting Policies *continued*

### 1.5 Financial instruments (continued)

#### **Impairment - Expected credit losses and write offs**

A provision matrix is used as a practical expedient when determining expected credit losses. The provision matrix is based on historic credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current and forecast conditions.

The measurement of expected credit losses incorporates the probability of default, loss given default and the exposure at default, taking the time value of money, historical data and forward-looking information into consideration.

The movement in credit loss allowance is recognised in profit or loss with a corresponding adjustment to the carrying amount of the instrument through a loss allowance account.

The group writes off an instrument when there is information indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the counterparty has been placed under liquidation or has entered into bankruptcy proceedings. Instruments written off may still be subject to enforcement activities under the group's recovery procedures. Any recoveries made are recognised in profit or loss.

#### **Investments in equity instruments**

Dividends received on equity investments are recognised in profit or loss when the group's right to receive the dividends is established, unless the dividends clearly represent a recovery of part of the cost of the investment.

#### **Investments in debt instruments at fair value through profit or loss**

The group holds investments in government and corporate bonds which are measured at fair value through profit or loss. Although they are debt instruments, management have concluded that they do not qualify to be measured at amortised cost or fair value through other comprehensive income.

#### **Borrowings and loans from related parties**

Loans from group companies, loans from shareholders and borrowings are classified as financial liabilities subsequently measured at amortised cost.

Interest expense on borrowings is calculated on the effective interest method, and is included in profit or loss.

#### **Trade and other payables**

Trade and other payables, excluding VAT and amounts received in advance, are classified as financial liabilities subsequently measured at amortised cost.

#### **Financial liabilities at fair value through profit or loss**

Fair value gains or losses on these liabilities are recognised in profit or loss.

Interest paid on financial liabilities at fair value through profit or loss is included in finance costs.

#### **Cash and cash equivalents**

Cash and cash equivalents are stated at carrying amount which is deemed to be fair value.

### 1.5 Financial instruments (continued)

#### Derecognition

The group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the group retains substantially all the risks and rewards of ownership of a transferred financial asset, the group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

The group derecognises financial liabilities when its obligations are discharged, cancelled or they expire. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable, including any noncash assets transferred or liabilities assumed, is recognised in profit or loss.

### 1.6 Tax

#### Current tax assets and liabilities

Current tax for current and prior periods is, to the extent unpaid, recognised as a liability. If the amount already paid in respect of current and prior periods exceeds the amount due for those periods, the excess is recognised as an asset.

Current tax liabilities (assets) for the current and prior periods are measured at the amount expected to be paid to (recovered from) the tax authorities, using the tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

#### Deferred tax assets and liabilities

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the tax base used for taxation purposes.

A deferred tax liability is recognised for all taxable temporary differences.

A deferred tax asset is recognised for all deductible temporary differences to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilised.

A deferred tax asset is recognised for the carry forward of unused tax losses to the extent that it is probable that future taxable profit will be available against which they can be utilised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The deferred tax rate applied to assets is determined by the expected manner of recovery. Where the expected recovery of the asset is through sale, the capital gains tax rate is applied. The normal tax rate is applied when the expected recovery is through use. A combination of these rates is applied if the recovery is expected to be partly through use and sale.

Deferred tax assets are reviewed at each reporting date and are reduced if it is no longer probable that the related tax benefit will be realised. Such reductions are reversed when the probability of future taxable profits improves. The review by management has not resulted in the reduction of the deferred tax assets.

#### Tax expenses

The income tax expense consists of current and deferred tax and is recognised in profit or loss.

### 1.7 Leases

The group assesses whether a contract is, or contains a lease, at the inception of the contract.

No contracts were identified that required specific judgement as to whether they contained leases.

## Accounting Policies *continued*

### 1.7 Leases (continued)

#### Group as lessee

At the inception of each contract, the Company evaluates whether it constitutes or includes a lease. For lease arrangements where the Company is the lessee, a right-of-use asset and a corresponding lease liability are recognized, except for leases classified as short-term (lease term of 12 months or less) or involving low-value assets. In such cases, lease payments are expensed on a straight-line basis over the lease term, unless an alternative systematic basis better reflects the consumption of economic benefits derived from the leased assets.

#### 1.8 Impairment of assets

The recoverable amount of an asset is the higher of its fair value less costs to sell and its value in use. If the recoverable amount cannot be determined for an individual asset, then it is determined for the cash generating unit to which the asset belongs.

An impairment loss is recognised for an asset if the recoverable amount of the asset or cash generating unit is less than the carrying amount. The impairment loss is determined as the difference between the two amounts.

Impairment losses are recognised immediately in profit or loss.

#### 1.9 Members contributions, share capital and equity

Members contributions, equity instruments issued by the group are recognised at the proceeds received, net of direct issue costs.

#### 1.10 Employee benefits

##### Short-term employee benefits

Short-term employee benefits, which consist of social security, severance pay, paid annual leave and sick leave, bonuses, and medical care, are recognised in the period in which the service is rendered and are not discounted.

##### Defined contribution plans

The group makes contributions to the Momentum FundsAtWork Namibia Umbrella Pension Fund, which is an umbrella defined contribution fund designed for the retirement benefits of current employees. The associated costs are recognized as expenses when employees have provided services entitling them to the contributions. This umbrella fund consists of three separate components: retirement benefits, insurance benefits, and business benefits.

Payments are charged as an expense as they fall due.

#### 1.11 Provisions and contingencies

The group recognises provisions in circumstances where it has a present obligation resulting from past events, which can be measured reliably and for which it is probable that the group will be required to settle the obligation.

There is always a degree of estimation uncertainty involved with provisions as they are measured at management's best estimate of the amount which will be required to settle the obligation. When the effect of discounting is material, the provision is measured at the present value of such amounts.

Contingent assets and contingent liabilities are not recognised. Contingencies are disclosed in note 32.

#### 1.12 Revenue from contracts with customers

The group recognises revenue from the following major sources:

- Initial documentation, capital raising and listing fees;
- Annual listing fees;
- Data subscription fees;
- Stockbroker and sponsors: annual members' and entrance fees;
- Commission received: transaction levies;
- Commission received: quoting fees;
- Stockbrokers: Guarantee fund contributions;
- Annual agency fees;
- Quarterly registry maintenance fees; and
- Service fees: corporate actions.



## Accounting Policies continued

### 1.12 Revenue from contracts with customers (continued)

Revenue is measured based on the consideration specified in a contract with a customer and excludes amounts collected on behalf of third parties. The group recognises revenue when it transfers control of a product or service to a customer.

#### **Initial documentation, capital raising and listing fees**

The Group concluded that the revenue for the initial listing and documentation fees is to be recognised over an expected period that reflects the average listing period of issuers. This is based on an average historical minimum life expectancy of a listed company. The company has the obligation to provide the platform to the issuer over the term for which it receives the revenue.

For a new applicant issuer, a documentation fee is levied prior to the initial listing of securities. Subsequently, upon a successful listing, a capital raising fee is imposed.

#### **Annual listing fees**

An annual listings fee is charged each year for the duration of time that the securities remain listed.

#### **Data subscription fees**

Revenue is recognized from data subscriptions.

#### **Stockbroker and sponsors: annual members' and entrance fees**

Sponsors, with the exception of registered stockbrokers, are required to remit an initial, non-refundable application fee for sponsorship privileges. Additionally, sponsors are obligated to pay a non-refundable annual fee, except in the year of the initial annual fee payment.

#### **Commission received: transaction levies**

A transaction levy for listed securities that are traded is levied on the brokerage of each transaction.

#### **Commission received: quoting fees**

The commission rate earned is a levy on the total trade value (excluding Stamp Duties) for over-the-counter securities (OTCMN) traded. Additionally, a monthly quoting fee is charged for the duration of each quote on the OTCMN.

#### **Stockbrokers: Guarantee fund contributions**

Stockbroking members and / or broking firms contribute a 10% levy of the transaction levy to the fund.

#### **Annual agency fees**

The revenue stream consists of dual-listed securities lacking shareholder registers in Namibia. As per listing regulations, these securities are mandated to establish a receiving office in Namibia. The issuer designates Transfer Secretaries (Proprietary) Limited as its receiving office in the Republic of Namibia ('Namibia') to facilitate assistance for its shareholders domiciled in Namibia.

#### **Quarterly registry maintenance fees**

The revenue stream includes dual-listed securities with a shareholder register in Namibia, as well as primary listed securities. Transfer Secretaries (Proprietary) Limited oversees the maintenance of the register and operates a registration and transfer office in Namibia, providing designated registry services.

#### **Service fees**

The service fee revenue stream comprises services provided by Transfer Secretaries (Proprietary) Limited related to the execution of corporate actions. The services rendered include, but are not limited to, the establishment of the register for a security; the issuance of certificates or certified deeds to holders of the Principal's securities; and preparation and distribution of dividend and/or interest payments.

## Accounting Policies continued

### 1.13 Borrowing costs

All borrowing costs are recognised as an expense in the period in which they are incurred.

### 1.14 Translation of foreign currencies

#### Foreign currency transactions

A foreign currency transaction is recorded, on initial recognition in Namibia Dollars, by applying to the foreign currency amount the spot exchange rate between the functional currency and the foreign currency at the date of the transaction.

Cash flows arising from transactions in a foreign currency are recorded in Namibia Dollars by applying to the foreign currency amount the exchange rate between the Namibia Dollar and the foreign currency at the date of the cash flow.

### 1.15 Fixed property

Fixed properties held for use in the production or supply of goods or services, or for administrative purposes, are recognized in the consolidated statement of financial position at their revalued amounts, which represent the fair value at the date of revaluation, reduced by any subsequent accumulated depreciation and impairment losses. Revaluations are conducted at regular intervals to ensure that the carrying amounts remain materially in line with fair values as of each reporting period's end.

Any increase in fair value resulting from the revaluation of such land and buildings is recognized in other comprehensive income and accumulated in equity, except to the extent that it offsets a previously recognized revaluation decrease for the same asset, which was previously recognized in profit or loss. In such cases, the increase is recognized in profit or loss to the extent of the prior decrease. Conversely, a decrease in the carrying amount due to revaluation of such land and buildings is recognized in profit or loss to the extent that it exceeds any balance held in the properties revaluation reserve relating to a prior revaluation of that asset.

## Notes to the Annual Financial Statements

### 2. New Standards and Interpretations

#### 2.1 Standards and interpretations effective and adopted in the current year

In the current year, the company has adopted the following standards and interpretations that are effective for the current financial year and that are relevant to its operations:

Standard/ Interpretation:	Effective date:	Expected impact Years beginning on or after
Amendments to IAS 12 Income Taxes: Deferred tax related to assets and liabilities arising from a single transaction	1 January 2023	The impact of the amendments is not material.
Amendments to IAS 1 and IFRS Practice Statement 2: Disclosure of accounting policies	1 January 2023	The impact of the amendments is not material.
Amendments to IAS 8 Accounting Policies, changes in Accounting Estimates and Errors: Definition of accounting estimates	1 January 2023	The impact of the amendments is not material.

#### 2.2 Standards and interpretations not yet effective

The company has chosen not to early adopt the following standards and interpretations, which have been published and are mandatory for the company's accounting periods beginning on or after 1 January 2024 or later periods:

Standard/ Interpretation:	Effective date:	Expected impact: Years beginning on or after
Amendments to IFRS 10 Consolidated Financial Statements: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	To be determined	Unlikely there will be a material impact.
Amendments to IAS 28 Investment in Associates and Joint Ventures: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	To be determined	Unlikely there will be a material impact.
Amendments to IFRS 16 Leases: Lease liability in a sale and leaseback	1 January 2024	Unlikely there will be a material impact.
Amendments to IFRS 7 Financial Instruments: Disclosures of Supplier Finance Arrangements	1 January 2024	Unlikely there will be a material impact.
Amendment to IAS 1 Presentation of Financial Statements: Classification of Liabilities as Current or Non-Current	1 January 2024	Unlikely there will be a material impact.
Amendments to IAS 7 Statement of Cash Flows: Supplier Finance Arrangement	1 January 2024	Unlikely there will be a material impact.
Amendment to IAS 1 Presentation of Financial Statements: Non-current liabilities with covenants	1 January 2024	Unlikely there will be a material impact
IAS 21 The Effects of Changes in Foreign Exchange Rates Lack of Exchangeability	1 January 2025	Unlikely there will be a material impact.

## Notes to the Annual Financial Statements continued

### 3. Equipment and intangibles

Group	2023				2022				
	Cost	Accumulated depreciation	Carrying value	Cost	Accumulated depreciation	Carrying value	Cost	Accumulated depreciation	Carrying value
Furniture and fixtures	515,880	(340,194)	175,686	484,385	(268,027)	216,358			
IT equipment	1,096,002	(656,498)	439,504	740,485	(605,568)	134,917			
Computer software	2,084,880	(1,191,994)	892,886	1,161,210	(1,161,205)	5			
<b>Total</b>	<b>3,696,762</b>	<b>(2,188,686)</b>	<b>1,508,076</b>	<b>2,386,080</b>	<b>(2,034,800)</b>	<b>351,280</b>			
Company									
	2023				2022				
	Cost	Accumulated depreciation	Carrying value	Cost	Accumulated depreciation	Carrying value	Cost	Accumulated depreciation	Carrying value
Furniture and fixtures	253,062	(179,176)	73,886	237,408	(147,327)	90,081			
IT equipment	418,685	(401,433)	17,252	416,053	(380,857)	35,196			
Computer software	1,415,839	(522,953)	892,886	492,169	(492,164)	5			
<b>Total</b>	<b>2,087,586</b>	<b>(1,103,562)</b>	<b>984,024</b>	<b>1,145,630</b>	<b>(1,020,348)</b>	<b>125,282</b>			

### Reconciliation of equipment and intangibles - Group - 2023

	Opening balance	Additions	Depreciation	Total
Furniture and fixtures	216,358	31,495	(72,167)	175,686
IT equipment	134,917	365,816	(61,229)	439,504
Computer software	5	923,670	(30,789)	892,886
	<b>351,280</b>	<b>1,320,981</b>	<b>(164,185)</b>	<b>1,508,076</b>

**3. Equipment and intangibles (continued)****Reconciliation of equipment and intangibles - Group - 2022**

	Opening balance	Additions	Disposals	Depreciation	Total
Furniture and fixtures	253,101	31,055	-	(67,798)	216,358
IT equipment	74,160	103,921	(4,857)	(38,307)	134,917
Computer software	5	-	-	-	5
	<b>327,266</b>	<b>134,976</b>	<b>(4,857)</b>	<b>(106,105)</b>	<b>351,280</b>

**Reconciliation of equipment and intangibles - Company - 2023**

	Opening balance	Additions	Depreciation	Total
Furniture and fixtures	90,081	15,655	(31,850)	73,886
IT equipment	35,196	2,633	(20,577)	17,252
Computer software	5	923,670	(30,789)	892,886
	<b>125,282</b>	<b>941,958</b>	<b>(83,216)</b>	<b>984,024</b>

**Reconciliation of equipment and intangibles - Company - 2022**

	Opening balance	Additions	Disposals	Depreciation	Total
Furniture and fixtures	115,076	5,180	-	(30,175)	90,081
IT equipment	50,706	11,750	(4,857)	(22,403)	35,196
Computer software	5	-	-	-	5
	<b>165,787</b>	<b>16,930</b>	<b>(4,857)</b>	<b>(52,578)</b>	<b>125,282</b>

The group has identified evidence of impairment concerning the Securities and Trading Technology (STT) asset in Central Security Depository Limited (N\$ 669,041 (capitalised cost) - N\$ 669,041 (accumulated impairment)). This impairment arises because the asset has not been utilized due to the company lacking the necessary license for operation, as the legislative framework governing the asset's implementation has not yet been enacted, with no definitive implementation date established. Nonetheless, the Ministry of Finance has granted approval to issue the license under the existing Stock Exchange Control Act (Act 1 of 1985). During the fourth quarter of the 2023 financial year, management submitted a license application to the Namibian Financial Institutions Supervisory Authority (NAMFISA). Subsequent to the reporting period, on March 11, 2024, the Central Securities Depository Limited was granted its Central Securities Depository (CSD) license by NAMFISA. Given the absence of an active market in which to sell the asset, its recoverable amount has been assessed as nil. The directors plan to reassess this situation annually.

## Notes to the Annual Financial Statements continued

### 4. Fixed property

Group	2023			2022		
	Cost / Valuation	Accumulated depreciation	Carrying value	Cost / Valuation	Accumulated depreciation	Carrying value
Fixed property	7,760,000	-	7,760,000	7,535,000	-	7,535,000

#### Reconciliation of fixed property - Group - 2023

	Opening balance	Fair value adjustments	Total
Fixed property	7,535,000	225,000	7,760,000

#### Reconciliation of fixed property - Group - 2022

	Opening balance	Fair value adjustments	Total
Fixed property	7,600,000	(65,000)	7,535,000

#### Details of property

Fixed property consists of Section 9 (measuring 255 m2 with a participation quota of 18.8%) and Section 2 (measuring 91 m2 with a participation quota of 6.7%) in the Sectional Title Scheme Maerua Heights No 65 / 2012 and an undivided share of Erf 1970 Windhoek, measuring 1264 m2. The property is un-encumbered. The property was acquired in 2013 at the cost of N\$ 6,820,300.

The major portion (70%) of the fixed property is let to the Namibian Stock Exchange and the remainder to Transfer Secretaries (Proprietary) Limited.

#### Details of valuation

The effective date of the revaluations was 9 January 2024. Revaluations were performed by an independent valuer, Mr Scholtz, a Professional / Sworn Appraiser holding a National Diploma: Property Valuation (Technicon SA), of Property Valuation Namibia.

The valuation was based on the income capitalisation method. The most significant judgement relates to the price earnings index where a rate of 10.81% (2022: 10.53%) was used.

The information below demonstrates the sensitivity to a possible change in the price earnings index, with all other variables held constant, of fair value of the property.

Group - 2023 financial year	Increase of 100bps	Decrease of 100bps
Increase or decrease of a 100 basis points in the price earnings index	8,480,000	7,040,000

Figures in Namibia Dollar	Group		Company	
	2023	2022	2023	2022

## 5. Interests in subsidiaries including consolidated structured entities

The following table lists the entities which are controlled by the group, either directly or indirectly through subsidiaries.

### Company

Name of company	% holding 2023	% holding 2022	Carrying amount 2023	Carrying amount 2022
Namibian Stock Exchange Trustees (Proprietary) Limited	100.00 %	100.00 %	4,000	4,000
Transfer Secretaries (Proprietary) Limited	100.00 %	100.00 %	4,000	4,000
Maerua Investments Number Nine (Proprietary) Limited	100.00 %	100.00 %	1,325,100	1,325,100
Central Securities Depository Limited	51.00 %	51.00 %	2,040	2,040
			<b>1,335,140</b>	<b>1,335,140</b>

## 6. Loans to group companies

### Subsidiaries

Maerua Investments Number Nine (Proprietary) Limited	-	-	212,969	81,790
Maerua Investments Number Nine (Proprietary) Limited	-	-	3,530,000	3,700,000
Central Securities Depository Limited	-	-	289,068	309,919
	-	-	<b>4,032,037</b>	<b>4,091,709</b>

### Maerua Investments Number Nine (Proprietary) Limited:

The nature of Maerua Investments Number Nine (Proprietary) Limited is property investment, to enhance diversification of the NSX's investment portfolio, with the prospect of capital appreciation.

The long-term loan of N\$ 3,530,000 (2022: N\$ 3,700,000) provided to the subsidiary, Maerua Investments Number Nine (Proprietary) Limited, does not have a fixed term of repayment, incurs monthly interest payments at an annual rate of 8.5% (2022: 8.5%). The Namibian Stock Exchange has committed to refrain from calling this loan within the next 12 months, thus classifying it as non-current.

### Central Securities Depository Limited:

The Namibian Stock Exchange and Bank of Namibia have provided ongoing financial support to Central Securities Depository Limited.

Interest on the loan is charged at Namibian prime and is capitalised monthly, with no capital repayment terms specified.

As a formal agreement is in place between the Namibian Stock Exchange, Bank of Namibia and Central Securities Depository Limited the loans will not be called in the next twelve months. The Namibian Stock Exchange signed their subordination agreement before or on 31 December 2023 therefore the loan has been classified as non-current. The Bank of Namibia signed their subordination agreement after year end, 31 December 2023, therefore the loan has been classified as current.

## Reconciliation of Central Securities Depository

### Limited loan:

Opening balance	-	-	3,940,290	3,130,082
Increase in loan	-	-	687,943	810,208
Accumulated impairment	-	-	(3,630,371)	(3,067,638)
Impairment charge for the year	-	-	(708,794)	(562,733)
	-	-	<b>289,068</b>	<b>309,919</b>

## Notes to the Annual Financial Statements continued

Figures in Namibia Dollar	Group		Company	
	2023	2022	2023	2022

### 6. Loans to group companies (continued)

#### Split between non-current and current portions

Non-current assets	-	-	3,819,068	4,009,919
Current assets	-	-	212,969	81,790
	-	-	<b>4,032,037</b>	<b>4,091,709</b>

### 7. Trade and other receivables

#### Financial instruments:

Trade receivables	2,222,821	1,897,958	1,395,773	1,431,587
Deposits	3,400	3,400	-	-
Loans to employees	70,041	81,387	70,041	68,887

#### Non-financial instruments:

VAT	58,231	-	-	-
Prepayments	71,967	77,887	60,964	62,857

#### Total trade and other receivables

	<b>2,426,460</b>	<b>2,060,632</b>	<b>1,526,778</b>	<b>1,563,331</b>
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#### Exposure to credit risk

Trade receivables inherently expose the group to credit risk, being the risk that the group will incur financial loss if customers fail to make payments as they fall due.

The group's historical credit loss experience does not show significantly different loss patterns for different customer segments. The provision for credit losses is therefore based on past due status without disaggregating into further risk profiles.

The average credit period on trade receivables is 60 days.

No provision for impairment loss has been recognized as the directors have deemed the expected credit loss associated with receivables to be immaterial.

Receivables past due but not impaired	1,003,123	162,506	816,997	85,575
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### 8. Investments at fair value

Investments held by the group which are measured at fair value, are as follows:

Investments at fair value through profit or loss	74,753,487	64,684,687	57,992,259	50,332,355
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#### Designated at fair value through profit or loss:

Allan Gray - South Africa Balanced Fund	23,180,478	20,523,666	23,180,478	20,523,666
Old Mutual Unit Trust - Namibia Managed Fund	26,141,925	22,513,000	17,645,799	15,196,275
Stanlib - Namibia Managed Fund	25,431,084	21,648,021	17,165,982	14,612,414
	<b>74,753,487</b>	<b>64,684,687</b>	<b>57,992,259</b>	<b>50,332,355</b>



Figures in Namibia Dollar	Group		Company	
	2023	2022	2023	2022

**9. Deferred tax****Deferred tax liability**

Capital allowances	(503,304)	(435,023)	-	-
Prepayments	(177)	(169)	-	-
Provision for doubtful debts	-	29,161	-	-
Provision for severance pay	6,400	14,720	-	-
Assessed tax losses	35,757	35,637	-	-
<b>Total deferred tax liability</b>	<b>(461,324)</b>	<b>(355,674)</b>	<b>-</b>	<b>-</b>

The deferred tax assets and the deferred tax liability relate to income tax in the same jurisdiction, and the law allows net settlement. Therefore, they have been offset in the statement of financial position as follows:

Deferred tax liability	(461,324)	(355,674)	-	-
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**Reconciliation of deferred tax asset / (liability)**

At beginning of year	(355,674)	(257,777)	-	-
Charge to profit and loss	(105,650)	(97,897)	-	-
	<b>(461,324)</b>	<b>(355,674)</b>	<b>-</b>	<b>-</b>

**10. Other investments****At amortised cost**

Treasury bills - held-to-maturity	36,572,868	46,375,755	31,728,505	44,529,266
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**11. Current tax receivable**

Normal tax	56,223	8,541	-	-
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**12. Cash and cash equivalents**

Cash and cash equivalents consist of:

Cash on hand	7,000	7,000	4,000	4,000
Bank balances	536,790	616,223	403,263	546,621
Money market call accounts	24,761,547	10,489,183	21,531,174	5,307,192
	<b>25,305,337</b>	<b>11,112,406</b>	<b>21,938,437</b>	<b>5,857,813</b>

## Notes to the Annual Financial Statements continued

Figures in Namibia Dollar	Group		Company	
	2023	2022	2023	2022

### 9. Deferred tax

#### Deferred tax liability

Capital allowances	(503,304)	(435,023)	-	-
Prepayments	(177)	(169)	-	-
Provision for doubtful debts	-	29,161	-	-
Provision for severance pay	6,400	14,720	-	-
Assessed tax losses	35,757	35,637	-	-
<b>Total deferred tax liability</b>	<b>(461,324)</b>	<b>(355,674)</b>	<b>-</b>	<b>-</b>

The deferred tax assets and the deferred tax liability relate to income tax in the same jurisdiction, and the law allows net settlement. Therefore, they have been offset in the statement of financial position as follows:

Deferred tax liability	(461,324)	(355,674)	-	-
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#### Reconciliation of deferred tax asset / (liability)

At beginning of year	(355,674)	(257,777)	-	-
Charge to profit and loss	(105,650)	(97,897)	-	-
	<b>(461,324)</b>	<b>(355,674)</b>	<b>-</b>	<b>-</b>

### 10. Other investments

#### At amortised cost

Treasury bills - held-to-maturity	36,572,868	46,375,755	31,728,505	44,529,266
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### 11. Current tax receivable

Normal tax	56,223	8,541	-	-
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### 12. Cash and cash equivalents

Cash and cash equivalents consist of:

Cash on hand	7,000	7,000	4,000	4,000
Bank balances	536,790	616,223	403,263	546,621
Money market call accounts	24,761,547	10,489,183	21,531,174	5,307,192
	<b>25,305,337</b>	<b>11,112,406</b>	<b>21,938,437</b>	<b>5,857,813</b>

Figures in Namibia Dollar	Group		Company	
	2023	2022	2023	2022
<b>13. Members' contribution</b>				
<b>Issued</b>				
Founding members' contribution	430,000	430,000	430,000	430,000
Stockbroking members' contribution	1,890,500	1,890,500	1,890,500	1,890,500
	<b>2,320,500</b>	<b>2,320,500</b>	<b>2,320,500</b>	<b>2,320,500</b>

## Valuation of rights held by members

The valuation of a new right by the Board shall be determined as the total of the entity's capital and reserves at the year-end, divided by the quantity of rights currently in circulation in accordance with Rule 2.4.6. Such valuation shall be solely intended for the computation of the prospective cost attributed to a newly issued right, if such issuance were to occur.

Founding members' rights	43	43	43	43
Stockbroking members' contribution	35	35	35	35
	<b>78</b>	<b>78</b>	<b>78</b>	<b>78</b>

Valuation	1,745,000	1,545,000	1,434,000	1,276,000
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**14. Loans from group companies****Subsidiaries**

Namibian Stock Exchange Trustees (Proprietary) Limited	-	-	4,000	4,000
Transfer Secretaries (Proprietary) Limited	-	-	284,441	530,473
Namibian Stock Exchange Guarantee Fund	-	-	24,114	114,123
	-	-	<b>312,555</b>	<b>648,596</b>

The loans are unsecured, bear no interest and has no fixed terms of repayment.

**Split between non-current and current portions**

Non-current liabilities	-	-	4,000	4,000
Current liabilities	-	-	308,555	644,596
	-	-	<b>312,555</b>	<b>648,596</b>

**15. Loans from shareholders**

Loan from Bank of Namibia to Central Securities Depository Limited	3,847,732	3,145,226	-	-
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The loan, unsecured with no fixed terms of repayment, accrues interest monthly at the Namibian prime interest rate. A formal subordination agreement, signed on 22 February 2024, exists between Bank of Namibia and Central Securities Depository Limited, ensuring that the loan will not be called up within the subsequent twelve months.

## Notes to the Annual Financial Statements continued

Figures in Namibia Dollar	Group		Company	
	2023	2022	2023	2022

### 16. Deferred income

The key judgment made in determining the deferred revenue balance pertains to the period of amortization, presently estimated at 15 years (2022: 15 years).

Opening balance	5,108,587	5,308,311	5,108,587	5,308,311
Deferred income realised during the year	(682,619)	(643,382)	(682,619)	(643,382)
Deferred income - listing and documentation fees generated during the year	1,270,277	443,658	1,270,277	443,658
	<b>5,696,245</b>	<b>5,108,587</b>	<b>5,696,245</b>	<b>5,108,587</b>

### Split between non-current and current portions

Non-current liabilities	5,000,951	4,451,515	5,000,951	4,451,515
Current liabilities	695,294	657,072	695,294	657,072
	<b>5,696,245</b>	<b>5,108,587</b>	<b>5,696,245</b>	<b>5,108,587</b>

### 17. Provision for severance pay

#### Reconciliation of provision for severance pay - Group - 2023

	Opening balance	Additions	Total
Provision for severance pay	363,000	28,000	391,000

#### Reconciliation of provision for severance pay - Group - 2022

	Opening balance	Reversed during the year	Total
Provision for severance pay	614,476	(251,476)	363,000

#### Reconciliation of provision for severance pay - Company - 2023

	Opening balance	Additions	Total
Provision for severance pay	317,000	54,000	371,000

#### Reconciliation of provision for severance pay - Company - 2022

	Opening balance	Reversed during the year	Total
Provision for severance pay	530,151	(213,151)	317,000

The provision for severance pay benefits has been determined in accordance with the Labour Act of 2007 (Act 11 of 2007).

The Group made use of an independent actuary to determine the liability as at year end.

Key assumptions used are:

- discount rate of 14.07% (2022: 12.99%);
- consumer price index of 8.65% (2022:8.04%); and
- salary inflation of 9.65% (2022: 9.04%).

The severance pay liability is unfunded and is valued using the projected unit credit method prescribed by IAS 19 Employee Benefits.

**17. Provision for severance pay (continued)**

The sensitivity analysis:

The value of the liability is largely dependent on the assumptions used to calculate the liability and the liability is highly sensitive to slight changes in the assumptions used due to the small number of active employees. The tables below show the impact of changes to the most significant assumptions used.

**Group**

**The impact of a 20% increase or decrease in the withdrawal rate is as follows:**

	<b>20% Increase</b>	<b>20% Decrease</b>
Total accrued liability	372,100	411,800
Service cost - year following	22,500	27,000
Interest cost - year following	38,700	43,600
	<b>433,300</b>	<b>482,400</b>

**The impact of a 1% change in the discount rate is as follows:**

	<b>1% Increase</b>	<b>1% Decrease</b>
Total accrued liability	341,100	450,500
Service cost - year following	20,400	29,600
Interest cost - year following	35,800	47,300
	<b>397,300</b>	<b>527,400</b>

**The impact of a 1% change in the salary inflation rate is as follows:**

	<b>1% Increase</b>	<b>1% Decrease</b>
Total accrued liability	452,500	338,800
Service cost - year following	29,800	20,300
Interest cost - year following	47,500	35,500
	<b>529,800</b>	<b>394,600</b>

**Company**

**The impact of a 20% increase or decrease in the withdrawal rate is as follows:**

	<b>20% Increase</b>	<b>20% Decrease</b>
Total accrued liability	353,500	390,400
Service cost - year following	20,300	24,000
Interest cost - year following	33,800	37,700
	<b>407,600</b>	<b>452,100</b>

**The impact of a 1% change in the discount rate is as follows:**

	<b>1% Increase</b>	<b>1% Decrease</b>
Total accrued liability	323,900	427,200
Service cost - year following	18,400	26,400
Interest cost - year following	18,400	26,400
	<b>360,700</b>	<b>480,000</b>

**The impact of a 1% change in the salary inflation rate is as follows:**

	<b>1% Increase</b>	<b>1% Decrease</b>
Total accrued liability	429,100	321,700
Service cost - year following	26,600	18,300
Interest cost - year following	41,300	30,900
	<b>497,000</b>	<b>370,900</b>

## Notes to the Annual Financial Statements continued

Figures in Namibia Dollar	Group		Company	
	2023	2022	2023	2022
<b>18. Trade and other payables</b>				
<b>Financial instruments:</b>				
Trade payables	488,771	108,891	155,054	25,589
Accrued leave pay	488,519	380,334	416,189	325,929
Accrued bonus	1,310,080	1,346,618	1,217,128	1,244,163
Accrued salary related expenses	70,519	94,935	70,519	94,935
Accrued audit fee	613,900	396,753	442,299	236,378
<b>Non-financial instruments:</b>				
Amounts received in advance	258,420	247,235	258,420	247,235
VAT	32,232	43,988	-	-
	<b>3,262,441</b>	<b>2,618,754</b>	<b>2,559,609</b>	<b>2,174,229</b>
<b>19. Revenue</b>				
<b>Revenue from contracts with customers</b>				
Rendering of services	15,392,018	16,824,873	11,233,116	12,539,670
<b>Namibian Stock Exchange</b>				
Initial documentation, capital raising and listing fees	794,170	720,639	794,170	720,639
Annual listing fees	4,980,357	4,563,687	4,980,357	4,563,687
Data subscription fees	1,161,096	1,104,002	1,161,096	1,104,002
Stockbrokers and sponsors: annual members' and entrance fees	345,280	322,350	345,280	322,350
Commission received: transaction levies	3,916,382	5,797,660	3,916,382	5,797,660
Commission received: quoting fees	35,831	31,332	35,831	31,332
<b>Namibian Stock Exchange Guarantee Fund</b>				
Stockbrokers: Guarantee fund contributions	388,968	579,766	-	-
<b>Transfer Secretaries (Proprietary) Limited</b>				
Annual agency fees	206,400	200,750	-	-
Quarterly registry maintenance fees	1,322,091	1,112,013	-	-
Service fees: corporate actions	2,241,443	2,392,674	-	-
	<b>15,392,018</b>	<b>16,824,873</b>	<b>11,233,116</b>	<b>12,539,670</b>

Figures in Namibia Dollar	Group		Company	
	2023	2022	2023	2022

**19. Revenue (continued)****Disaggregation of revenue from contracts with customers**

Total revenue from contracts with customers	<b>15,392,018</b>	<b>16,824,873</b>	<b>11,233,116</b>	<b>12,539,670</b>
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**Timing of revenue recognition****At a point in time**

Annual listing fees	4,980,357	4,563,687	4,980,357	4,563,687
Data subscription fees	1,161,096	1,104,002	1,161,096	1,104,002
Stockbrokers and sponsors: annual members' and entrance fees	345,280	322,350	345,280	322,350
Commission received: transaction levies	3,916,382	5,797,660	3,916,382	5,797,660
Commission received: quoting fees	35,831	31,332	35,831	31,332
Stockbrokers: Guarantee fund contributions	388,968	579,766	-	-
Annual agency fees	206,400	200,750	-	-
Quarterly registry maintenance fees	1,322,091	1,112,013	-	-
Service fees: corporate actions	2,241,443	2,392,674	-	-
	<b>14,597,848</b>	<b>16,104,234</b>	<b>10,438,946</b>	<b>11,819,031</b>

**Over time**

Initial documentation, capital raising and listing fees	794,170	720,639	794,170	720,639
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**Total revenue from contracts with customers**

	<b>15,392,018</b>	<b>16,824,873</b>	<b>11,233,116</b>	<b>12,539,670</b>
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The key judgement made in determining the deferred revenue balance is the period of amortisation, this is currently estimated at 15 years (2022: 15 years).

**Revenue deferral application**

Initial documentation, capital raising and listing fees earned during the year	1,381,828	520,915	1,381,828	520,915
Revenue earned during the year to be deferred	(1,270,277)	(443,658)	(1,270,277)	(443,658)
Deferred revenue from prior years realised during the current year	682,619	643,382	682,619	643,382
	<b>794,170</b>	<b>720,639</b>	<b>794,170</b>	<b>720,639</b>

**20. Other operating income**

Administration and management fees received	-	-	1,890,169	1,807,809
Other income	8,712	81,258	8,712	81,258
	<b>8,712</b>	<b>81,258</b>	<b>1,898,881</b>	<b>1,889,067</b>

**21. Other operating gains****Gains on disposals, scrapings and settlements**

Property, plant and equipment	3	10,458	139	-	139
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**Foreign exchange gains**

Net foreign exchange gains		72,353	2,140	72,353	2,140
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<b>Total other operating gains</b>		<b>82,811</b>	<b>2,279</b>	<b>72,353</b>	<b>2,279</b>
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## Notes to the Annual Financial Statements continued

Figures in Namibia Dollar	Group		Company	
	2023	2022	2023	2022

### 22. Operating profit

Operating profit for the year is stated after charging (crediting) the following, amongst others:

#### Auditor's remuneration - external

Audit fees	613,900	573,737	442,299	413,363
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#### Remuneration, other than to employees

Consulting and professional services	92,176	100,301	54,104	96,635
Secretarial services	11,840	3,865	610	290
<b>Total</b>	<b>104,016</b>	<b>104,166</b>	<b>54,714</b>	<b>96,925</b>

### Employee costs

As at 31 December 2023 the group had 13 permanent employees (2022: 10). The total cost of employment of all employees, including executive directors, was as follows:

Salaries, wages, bonuses and other benefits	8,089,233	7,396,794	7,122,755	6,385,430
Severance expense	28,000	(251,476)	54,000	(213,151)
Board and committee fees	804,313	725,213	630,228	561,184
Retirement benefit plans: defined contribution expense	1,575,736	1,504,890	1,380,777	1,300,282
<b>Total employee costs</b>	<b>10,497,282</b>	<b>9,375,421</b>	<b>9,187,760</b>	<b>8,033,745</b>

#### Rent paid

Short-term leases	134,170	124,232	1,028,639	952,443
<b>Total lease expenses</b>	<b>134,170</b>	<b>124,232</b>	<b>1,028,639</b>	<b>952,443</b>

#### Depreciation and amortisation

Depreciation of property, plant and equipment	164,185	106,105	83,216	52,578
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### 23. Investment income

#### Interest income

Loans to subsidiaries	-	-	760,183	629,706
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#### Investments in financial assets:

Money market call accounts	931,305	1,933,041	931,305	1,933,041
Treasury bills	3,235,950	843,194	3,235,950	843,194
Investments at fair value through profit or loss	2,862,986	1,885,197	1,703,955	1,168,119
<b>Total interest income</b>	<b>7,030,241</b>	<b>4,661,432</b>	<b>6,631,393</b>	<b>4,574,060</b>

### 24. Finance costs

Interest expense: Bank of Namibia	412,426	259,172	-	-
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### 25. Other non-operating gains / (losses)

#### Fair value gains / (losses)

Financial assets designated as at fair value through profit or loss	7,800,201	(1,350,302)	5,955,949	(540,969)
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Figures in Namibia Dollar	Group		Company	
	2023	2022	2023	2022

**26. Taxation****Major components of the tax expense / (income)****Current**

Local income tax - current period	-	87,704	-	-
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**Deferred**

Deferred tax	105,650	97,897	-	-
	<b>105,650</b>	<b>185,601</b>	-	-

**Reconciliation of the tax expense**

Reconciliation between applicable tax rate and average effective tax rate.

Applicable tax rate	32.00 %	32.00 %	- %	- %
Exempt income	(34.42)%	(34.69)%	- %	- %
Current years losses in subsidiaries	3.17 %	5.79 %	- %	- %
<b>Effective tax rate</b>	<b>0.75 %</b>	<b>3.10 %</b>	<b>- %</b>	<b>- %</b>

Unutilised tax losses from Central Securities Depository Limited, that is available for set off against future taxable income:

At the beginning of the year	(7,111,418)	(6,038,988)	-	-
Increase during year	(1,393,916)	(1,072,430)	-	-
	<b>(8,505,334)</b>	<b>(7,111,418)</b>	-	-

**27. Other comprehensive income****Components of other comprehensive income - Group - 2023****Items that will not be reclassified to profit (loss)****Movements on revaluation**

	Gross	Tax	Net
Gains / (losses) on property revaluation	225,000	-	225,000

**Components of other comprehensive income - Group - 2022****Items that will not be reclassified to profit / (loss)****Movements on revaluation**

	Gross	Tax	Net
Gains / (losses) on property revaluation	(65,000)	-	(65,000)

## Notes to the Annual Financial Statements continued

Figures in Namibia Dollar	Group		Company	
	2023	2022	2023	2022
<b>28. Employee costs</b>				
<b>Employee costs</b>				
Basic	5,810,834	5,584,606	5,131,780	4,818,120
Bonus	1,439,538	1,499,202	1,279,832	1,310,258
Medical aid - company contributions	620,891	578,793	525,369	508,886
Social security contributions	9,593	9,720	6,920	6,804
VET levies	95,099	86,566	83,501	78,220
Leave pay provision charge	113,278	(362,093)	95,353	(336,858)
Severance pay	28,000	(251,476)	54,000	(213,151)
Directors and committee fees	804,313	725,213	630,228	561,184
Retirement benefit plans	1,575,736	1,504,890	1,380,777	1,300,282
	<b>10,497,282</b>	<b>9,375,421</b>	<b>9,187,760</b>	<b>8,033,745</b>
<b>29. Depreciation, amortisation and impairment losses</b>				
<b>Depreciation</b>				
Property, plant and equipment	164,185	106,105	83,216	52,578
<b>Impairment losses</b>				
Investments in subsidiaries, joint arrangements and associates	-	-	708,794	562,733
<b>Total depreciation, amortisation and impairment</b>				
Depreciation	164,185	106,105	83,216	52,578
Impairment losses	-	-	708,794	562,733
	<b>164,185</b>	<b>106,105</b>	<b>792,010</b>	<b>615,311</b>
<b>30. Cash generated from operations</b>				
Profit before taxation	14,067,299	5,987,945	11,011,286	5,508,465
<b>Adjustments for non-cash items:</b>				
Depreciation, amortisation, impairments and reversals of impairments	164,185	106,105	792,010	615,333
Gains on sale of assets and liabilities	(10,458)	(139)	-	(139)
Fair value / (gains) losses	(7,800,201)	1,350,302	(5,955,949)	540,969
Movement in severance provision	28,000	(251,475)	54,000	(213,151)
Movement in loans from shareholder (minority interest)	412,426	259,172	-	-
<b>Adjust for items which are presented separately:</b>				
Interest income	(7,030,241)	(4,661,434)	(6,631,393)	(4,574,060)
<b>Changes in working capital:</b>				
(Increase) / decrease in trade and other receivables	(365,828)	665,146	36,553	(28,696)
Increase / (decrease) in trade and other payables	643,687	(370,004)	385,381	338,906
Increase / (decrease) in deferred income	587,658	(199,724)	587,658	(199,724)
	<b>696,527</b>	<b>2,885,894</b>	<b>279,546</b>	<b>1,987,903</b>
<b>31. Tax paid</b>				
Balance at beginning of the year	8,541	(96,543)	-	-
Receivable balance at end of the year	(56,223)	(8,541)	-	-
	<b>(47,682)</b>	<b>(105,084)</b>	<b>-</b>	<b>-</b>
<b>32. Contingencies</b>				
Transfer Secretaries (Proprietary) Limited acknowledges the occurrence of a data leak which may lead to a potential liability.				

Figures in Namibia Dollar	Group		Company	
	2023	2022	2023	2022
<b>33. Related parties</b>				
<b>Relationships</b>				
Holding company	Namibian Stock Exchange			
Subsidiaries	Refer to note 5			
<b>Related party balances</b>				
<b>Loan accounts - Owning / (to) by related parties</b>				
Namibian Stock Exchange Trustees (Proprietary) Limited	-	-	(4,000)	(4,000)
Central Securities Depository Limited	-	-	289,068	309,919
Maerua Investments Number Nine (Proprietary) Limited	-	-	3,530,000	3,700,000
<b>Amounts included in Trade receivable / (Trade Payable) regarding related parties</b>				
Namibian Stock Exchange Guarantee Fund	-	-	(24,114)	(114,123)
Maerua Investments Number Nine (Proprietary) Limited	-	-	212,969	81,790
Transfer Secretaries (Proprietary) Limited	-	-	(284,441)	(530,473)
<b>Related party transactions</b>				
<b>Interest received from related parties</b>				
Maerua Investments Number Nine (Proprietary) Limited	-	-	(307,160)	(326,498)
Central Securities Depository Limited	-	-	(453,023)	(303,208)
<b>Rent paid to related parties</b>				
Maerua Investments Number Nine (Proprietary) Limited	-	-	894,468	828,212
<b>Management and Administration fees received from related parties</b>				
Maerua Investments Number Nine (Proprietary) Limited	-	-	(12,969)	(11,790)
Central Securities Depository Limited	-	-	(480,000)	(480,000)
Transfer Secretaries (Proprietary) Limited	-	-	(1,397,200)	(1,316,019)
<b>Compensation to directors and other key management</b>				
Board and committee fees	804,313	725,213	630,228	561,184

## Notes to the Annual Financial Statements continued

### 34. Financial instruments and risk management

#### Categories of financial instruments

#### Categories of financial assets

#### Group - 2023

	Note(s)	Fair value through profit or loss - Designated	Amortised cost	Total	Fair value
Investments at fair value	8	74,753,487	-	74,753,487	74,753,487
Trade and other receivables	7	-	2,426,460	2,426,460	2,426,460
Cash and cash equivalents	12	-	25,305,337	25,305,337	25,305,337
		<b>74,753,487</b>	<b>27,731,797</b>	<b>102,485,284</b>	<b>102,485,284</b>

#### Group - 2022

	Note(s)	Fair value through profit or loss - Designated	Amortised cost	Total	Fair value
Investments at fair value	8	64,684,687	-	64,684,687	64,684,687
Trade and other receivables	7	-	2,060,632	2,060,632	2,060,632
Cash and cash equivalents	12	-	11,112,406	11,112,406	11,112,406
		<b>64,684,687</b>	<b>13,173,038</b>	<b>77,857,725</b>	<b>77,857,725</b>

#### Company - 2023

	Note(s)	Fair value through profit or loss - Designated	Amortised cost	Total	Fair value
Loans to group companies	6	-	4,032,037	4,032,037	4,032,037
Investments at fair value	8	57,992,259	-	57,992,259	57,992,259
Trade and other receivables	7	-	1,526,778	1,526,778	1,526,778
Cash and cash equivalents	12	-	21,938,437	21,938,437	21,938,437
		<b>57,992,259</b>	<b>27,497,252</b>	<b>85,489,511</b>	<b>85,489,511</b>

#### Company - 2022

	Note(s)	Fair value through profit or loss - Designated	Amortised cost	Total	Fair value
Loans to group companies	6	-	4,091,709	4,091,709	4,091,709
Investments at fair value	8	50,332,355	-	50,332,355	50,332,355
Trade and other receivables	7	-	1,563,331	1,563,331	1,563,331
Cash and cash equivalents	12	-	5,857,813	5,857,813	5,857,813
		<b>50,332,355</b>	<b>11,512,853</b>	<b>61,845,208</b>	<b>61,845,208</b>

**34. Financial instruments and risk management (continued)****Categories of financial liabilities****Group - 2023**

	Note(s)	Amortised cost	Total	Fair value
Trade and other payables	18	2,971,789	2,971,789	2,971,789
Loans from shareholders	15	3,847,732	3,847,732	3,847,732
		<b>6,819,521</b>	<b>6,819,521</b>	<b>6,819,521</b>

**Group - 2022**

	Note(s)	Amortised cost	Total	Fair value
Trade and other payables	18	2,327,531	2,327,531	2,327,531
Loans from shareholders	15	3,145,226	3,145,226	3,145,226
		<b>5,472,757</b>	<b>5,472,757</b>	<b>5,472,757</b>

**Company - 2023**

	Note(s)	Amortised cost	Total	Fair value
Trade and other payables	18	2,301,189	2,301,189	2,301,189
Loans from group companies	14	308,555	308,555	308,555
		<b>2,609,744</b>	<b>2,609,744</b>	<b>2,609,744</b>

**Company - 2022**

	Note(s)	Amortised cost	Total	Fair value
Trade and other payables	18	1,926,994	1,926,994	1,926,994
Loans from group companies	14	644,596	644,596	644,596
		<b>2,571,590</b>	<b>2,571,590</b>	<b>2,571,590</b>

## Notes to the Annual Financial Statements continued

Figures in Namibia Dollar	Group		Company	
	2023	2022	2023	2022

### 34. Financial instruments and risk management (continued)

#### Capital risk management

The capital structure and gearing ratio of the group at the reporting date was as follows:

Loans from group companies	14	-	-	312,555	648,596
Loans from shareholders	15	3,847,732	3,145,226	-	-
Trade and other payables	18	3,262,441	2,618,756	2,559,607	2,174,226
<b>Total borrowings</b>		<b>7,110,173</b>	<b>5,763,982</b>	<b>2,872,162</b>	<b>2,822,822</b>
Cash and cash equivalents	12	(25,305,337)	(11,112,406)	(21,938,437)	(5,857,813)
<b>Net borrowings</b>		<b>(18,195,164)</b>	<b>(5,348,424)</b>	<b>(19,066,275)</b>	<b>(3,034,991)</b>
Equity		134,723,710	120,537,057	110,597,771	99,586,485
Gearing ratio		(14)%	(4)%	(17)%	(3)%

#### Financial risk management

##### Overview

The group is exposed to the following risks from its use of financial instruments:

- Credit risk;
- Liquidity risk; and
- Market risk (currency risk, interest rate risk and price risk).

##### Credit risk

Credit risk is the risk of financial loss to the group if a customer or counterparty to a financial instrument fails to meet its contractual obligations.

The maximum exposure to credit risk is presented in the table below:

Group	2023			2022			
	Gross carrying amount	Credit loss allowance	Amortised cost / fair value	Gross carrying amount	Credit loss allowance	Amortised cost / fair value	
Investments at fair value through profit or loss	8	74,753,487	-	74,753,487	64,684,687	-	64,684,687
Trade and other receivables	7	2,426,460	-	2,426,460	2,060,632	-	2,060,632
Cash and cash equivalents	12	25,305,337	-	25,305,337	11,117,969	-	11,117,969
		<b>102,485,284</b>	<b>-</b>	<b>102,485,284</b>	<b>77,863,288</b>	<b>-</b>	<b>77,863,288</b>

**34. Financial instruments and risk management (continued)**

Company	2023			2022			
	Gross carrying amount	Credit loss allowance	Amortised cost / fair value	Gross carrying amount	Credit loss allowance	Amortised cost / fair value	
Loans to group companies	6	4,032,037	-	4,032,037	4,091,709	-	4,091,709
Investments at fair value through profit or loss	8	57,992,259	-	57,992,259	50,332,355	-	50,332,355
Trade and other receivables	7	1,526,778	-	1,526,778	1,563,331	-	1,563,331
Cash and cash equivalents	12	21,938,437	-	21,938,437	5,863,376	-	5,863,376
		<b>85,489,511</b>	<b>-</b>	<b>85,489,511</b>	<b>61,850,771</b>	<b>-</b>	<b>61,850,771</b>

**Liquidity risk**

The group is exposed to liquidity risk, which is the risk that the group will encounter difficulties in meeting its obligations as they become due.

The group manages its liquidity risk by effectively managing its working capital, capital expenditure and cash flows.

The maturity profile of contractual cash flows of non-derivative financial liabilities, and financial assets held to mitigate the risk, are presented in the following table. The cash flows are undiscounted contractual amounts.

**Group - 2023****Current liabilities**

		Less than 1 year	Total	Carrying amount
Trade and other payables	18	2,971,789	2,971,789	2,971,789
Loans from shareholders	15	3,847,732	3,847,732	3,847,732
		<b>6,819,521</b>	<b>6,819,521</b>	<b>6,819,521</b>

**Group - 2022****Current liabilities**

		Less than 1 year	Total	Carrying amount
Trade and other payables	18	2,327,531	2,327,531	2,327,531
Loans from shareholders	15	3,145,226	3,145,226	3,145,226
		<b>5,472,757</b>	<b>5,472,757</b>	<b>5,472,757</b>

## Notes to the Annual Financial Statements continued

### 34. Financial instruments and risk management (continued)

#### Company - 2023

<b>Current liabilities</b>		<b>Less than 1 year</b>	<b>Total</b>	<b>Carrying amount</b>
Trade and other payables	18	2,301,189	2,301,189	2,301,189
Loans from group companies	15	308,555	308,555	308,555
		<b>2,609,744</b>	<b>2,609,744</b>	<b>2,609,744</b>

#### Company - 2022

<b>Current liabilities</b>		<b>Less than 1 year</b>	<b>Total</b>	<b>Carrying amount</b>
Trade and other payables	18	1,926,994	1,926,994	1,926,994
Loans from group companies	15	644,596	644,596	644,596
		<b>2,571,590</b>	<b>2,571,590</b>	<b>2,571,590</b>

#### Foreign currency risk

The group is exposed to foreign currency risk as a result of certain transactions which are denominated in foreign currencies.

The group engages in transactions denominated in foreign currencies, leading to exposures to fluctuations in exchange rates. A considerable portion of these foreign currency transactions are in South African Rand. Namibia operates within the Southern African Common Monetary Area, with the Namibian Dollar pegged to the South African Rand on a one-to-one basis. Nearly all transactions on the Stock Exchange occur within this common monetary area. Foreign data distribution vendors are invoiced in foreign currency, and these amounts remain unhedged.

As of the year-end, the group does not hold assets or liabilities denominated in foreign currency.

#### Interest rate risk

Fluctuations in interest rates impact on the value of investments and financing activities, giving rise to interest rate risk.

The debt of the group is comprised of different instruments, which bear interest at either fixed or floating interest rates. The ratio of fixed and floating rate instruments in the loan portfolio is monitored and managed, by incurring either variable rate bank loans or fixed rate bonds as necessary. Interest rates on all borrowings compare favourably with those rates available in the market.

The group policy with regards to financial assets, is to invest cash at floating rates of interest and to maintain cash reserves in short-term investments in order to maintain liquidity, while also achieving a satisfactory return for shareholders.



**34. Financial instruments and risk management (continued)****Interest rate profile**

The interest rate profile of interest bearing financial instruments at the end of the reporting period was as follows:

Group	Note(s)	Average effective interest rate		Carrying amount	
		2023	2022	2023	2022
<b>Variable rate instruments:</b>					
<b>Assets</b>					
Trade and other receivables	7	- %	- %	2,296,262	1,982,745
Investments at fair value	8	- %	- %	74,753,487	64,684,687
Cash and cash equivalents	12	- %	- %	25,305,337	11,112,406
Other investments (at amortised cost)	10	- %	- %	36,572,868	46,375,755
				<b>138,927,954</b>	<b>124,155,593</b>
<b>Liabilities</b>					
Trade and other payables	18	- %	- %	2,971,789	2,327,531
Provision for severance pay	17	- %	- %	391,000	363,000
Loans from shareholders	15	11.50 %	10.50 %	3,847,732	3,145,226
				<b>7,210,521</b>	<b>5,835,757</b>
<b>Net variable rate financial instruments</b>				<b>146,138,475</b>	<b>129,991,350</b>
Variable rate financial assets as a percentage of total interest bearing financial assets				100.00 %	100.00 %
Variable rate financial liabilities as a percentage of total interest bearing financial liabilities				100.00 %	100.00 %

## Notes to the Annual Financial Statements continued

### 34. Financial instruments and risk management (continued)

Company	Note	Average effective interest rate		Carrying amount	
		2023	2022	2023	2022
<b>Variable rate instruments:</b>					
<b>Assets</b>					
Loans to group companies	6	11.50 %	10.50 %	289,068	309,919
Trade and other receivables	7	- %	- %	1,465,814	1,500,474
Investments at fair value	8	- %	- %	57,992,259	50,332,355
Cash and cash equivalents	12	- %	- %	21,938,437	5,857,813
Other investments (at amortised cost)	10	- %	- %	31,728,505	44,529,266
				<b>113,414,083</b>	<b>102,529,827</b>
<b>Liabilities</b>					
Trade and other payables	18	- %	- %	2,301,189	1,926,994
Provision for severance pay	17	- %	- %	371,000	317,000
				<b>2,672,189</b>	<b>2,243,994</b>
<b>Net variable rate financial instruments</b>				<b>116,086,272</b>	<b>104,773,821</b>
<b>Fixed rate instruments:</b>					
<b>Assets</b>					
Loans to group companies	6	- %	- %	212,969	81,790
Loans to group companies	6	8.50 %	8.50 %	3,530,000	3,700,000
				<b>3,742,969</b>	<b>3,781,790</b>
<b>Liabilities</b>					
Loans from group companies	14	- %	- %	4,000	4,000
<b>Net fixed rate financial instruments</b>				<b>3,746,969</b>	<b>3,785,790</b>
Variable rate financial assets as a percentage of total interest bearing financial assets				96.81 %	96.44 %
Fixed rate financial assets as a percentage of total interest bearing financial assets				3.19 %	3.56 %
Variable rate financial liabilities as a percentage of total interest bearing financial liabilities				99.85 %	99.82 %
Fixed rate financial liabilities as a percentage of total interest bearing financial liabilities				0.15 %	0.18 %

#### Price risk

The group is exposed to price risk because of its investments in equity instruments which are measured at fair value. The exposure to price risk on equity investments is managed through a diversified portfolio. Refer to note 8 for details on exposure to price risk.

### 35. Fair value information

#### Fair value hierarchy

The table below analyses assets and liabilities carried at fair value. The different levels are defined as follows:

Level 1: Quoted unadjusted prices in active markets for identical assets or liabilities that the group can access at measurement date.

Level 2: Quoted unadjusted prices in active markets for identical assets or liabilities that the group can access at measurement date.

Level 3: Unobservable inputs for the asset or liability.

Figures in Namibia Dollar	Group		Company	
	2023	2022	2023	2022

**35. Fair value information (continued)**
**Levels of fair value measurements**
**Level 1**
**Recurring fair value measurements**

Assets	Note(s)	Group		Company	
<b>Financial assets designated at fair value through profit (loss)</b>	8				
Investments at fair value		74,753,487	64,684,687	57,992,259	50,332,355
<b>Total</b>		<b>74,753,487</b>	<b>64,684,687</b>	<b>57,992,259</b>	<b>50,332,355</b>

**Level 3**
**Recurring fair value measurements**

Assets	Note(s)	Group		Company	
<b>Fixed property</b>	4				
Fixed property		7,760,000	7,535,000	-	-
<b>Total</b>		<b>7,760,000</b>	<b>7,535,000</b>	<b>-</b>	<b>-</b>

**Reconciliation of assets and liabilities measured at level 3**

	Note(s)	Opening balance	Gains / (losses) recognised in other comprehensive income	Closing balance
<b>Group - 2023</b>				
<b>Assets</b>				
<b>Fixed property</b>				
Fixed property		7,535,000	225,000	7,760,000
<b>Total</b>		<b>7,535,000</b>	<b>225,000</b>	<b>7,760,000</b>
<b>Group - 2022</b>				
<b>Assets</b>				
<b>Fixed property</b>				
Fixed property	4	7,600,000	(65,000)	7,535,000
<b>Total</b>		<b>7,600,000</b>	<b>(65,000)</b>	<b>7,535,000</b>

**36. Approval of the annual financial statements**

The annual financial statements were authorized for issuance on April 29, 2024.

# Detailed Income Statement

Figures in Namibia Dollar	Note(s)	Group		Company	
		2023	2022	2023	2022
<b>Revenue</b>					
Rendering of services		15,003,050	16,245,107	11,233,116	12,539,670
Other income		388,968	579,766	-	-
	19	<b>15,392,018</b>	<b>16,824,873</b>	<b>11,233,116</b>	<b>12,539,670</b>
<b>Other operating income</b>					
Administration and management fees received		-	-	1,890,169	1,807,809
Fees earned		8,712	81,258	8,712	81,258
	20	<b>8,712</b>	<b>81,258</b>	<b>1,898,881</b>	<b>1,889,067</b>
<b>Other operating gains / (losses)</b>					
Gains on disposal of assets		10,458	139	-	139
Foreign exchange gains		72,353	2,140	72,353	2,140
	21	<b>82,811</b>	<b>2,279</b>	<b>72,353</b>	<b>2,279</b>
<b>Expenses (Refer to page 91)</b>					
		<b>(15,834,258)</b>	<b>(13,972,423)</b>	<b>(14,780,406)</b>	<b>(12,955,642)</b>
<b>Operating (loss) / profit</b>	22	<b>(350,717)</b>	<b>2,935,987</b>	<b>(1,576,056)</b>	<b>1,475,374</b>
Investment income	23	7,030,241	4,661,432	6,631,393	4,574,060
Finance costs	24	(412,426)	(259,172)	-	-
<b>Other non-operating gains / (losses)</b>					
Fair value gains / (losses)		7,800,201	(1,350,302)	5,955,949	(540,969)
<b>Profit before taxation</b>		<b>14,067,299</b>	<b>5,987,945</b>	<b>11,011,286</b>	<b>5,508,465</b>
Taxation	26	(105,650)	(185,601)	-	-
<b>Profit for the year</b>		<b>13,961,649</b>	<b>5,802,344</b>	<b>11,011,286</b>	<b>5,508,465</b>

## Detailed Income Statement continued

Figures in Namibia Dollar	Note(s)	Group		Company	
		2023	2022	2023	2022
<b>Other operating expenses</b>					
Auditor's remuneration - external audit	22	(613,900)	(573,737)	(442,299)	(413,363)
Bad debts		(8,066)	(185,480)	(8,066)	-
Bank charges		(36,093)	(35,415)	(32,310)	(29,516)
Body corporate levies		(90,388)	(86,573)	-	-
CFA re-imbursements		(109,425)	(71,816)	(109,425)	(71,816)
Casual wages		(79,541)	(38,976)	(59,651)	(26,190)
Consulting and professional fees		(92,176)	(100,301)	(54,104)	(96,635)
Consumables		(69,853)	(54,588)	(68,338)	(52,894)
Depreciation		(164,185)	(106,105)	(83,216)	(52,578)
Employee costs		(10,497,282)	(9,375,421)	(9,187,760)	(8,033,745)
Fines and penalties		(500)	(5,945)	(250)	(2,700)
IT expenses		(789,699)	(871,590)	(468,415)	(576,401)
Impairment on loan to related party		-	-	(708,794)	(562,733)
Insurance		(305,061)	(286,243)	(228,803)	(214,682)
License levies		(936,002)	(858,573)	(936,002)	(858,573)
Membership fees		(567,049)	(360,636)	(567,049)	(360,636)
Municipal expenses		(201,050)	(134,830)	-	-
Postage		(467)	(425)	(467)	(425)
Printing and stationery		(99,255)	(109,904)	(61,343)	(76,184)
Rent		(134,170)	(124,232)	(1,028,639)	(952,443)
Repairs and maintenance		(185,121)	(7,531)	(6,374)	(7,071)
STT: 25% revenue share on bond trading system		(6,850)	-	(6,850)	-
Secretarial fees		(11,840)	(3,865)	(610)	(290)
Security		(7,313)	(6,302)	(759)	-
Special events		(75,661)	(159,216)	(73,731)	(159,216)
Subscriptions		(31,764)	(31,876)	(31,764)	(31,876)
Telephone and fax		(64,107)	(75,824)	(58,540)	(71,815)
Training		(217,903)	(51,775)	(217,903)	(51,775)
Travel - local		(13,633)	(3,759)	(13,633)	(3,759)
Travel - overseas		(425,904)	(251,485)	(325,311)	(248,326)
		<b>(15,834,258)</b>	<b>(13,972,423)</b>	<b>(14,780,406)</b>	<b>(12,955,642)</b>

# Appendices

## Broker and sponsor details

### Brokers

NOTE: The Brokers listed below also act as sponsors.

#### **Cirrus Securities (Proprietary) Limited**

Managing Director: Madelein Smith

P.O. Box 27, Windhoek  
35 Schanzen Road,  
Windhoek

**Tel:** +264 61-256 666

**E-mail:** [madelein@cirrus.com.na](mailto:madelein@cirrus.com.na)

#### **IJG Securities (Proprietary) Limited**

Managing Director: Mark Späth

P.O. Box 186, Windhoek  
4th floor, 1@Steps,  
C/O Grove & Chasie Street, Kleine Kuppe

**Tel:** +264 81-958 3500

**E-mail:** [mark@ijg.net](mailto:mark@ijg.net)

#### **PSG Wealth Management (Proprietary) Limited**

Managing Director: Brian van Rensburg

P.O. Box 196, Windhoek  
SPACE, c/o Thorer & Feld Street  
Windhoek

**Tel:** +264 61-378 900

**E-mail:** [brian@psg.com.na](mailto:brian@psg.com.na)

#### **Simonis Storm Securities (Proprietary) Limited**

Managing Director: Bruce Hansen

P.O. Box 3970, Windhoek  
4 Koch Street / Cnr Hugo Hahn Strasse,  
Klein Windhoek

**Tel:** +264 083 3254 194

**E-mail:** [bh@sss.com.na](mailto:bh@sss.com.na)

## Appendices continued

### Sponsors

#### **Business Financial Solutions**

Managing Director: Kaunapaua Ndilula

P.O. Box 5064, Ausspannplatz  
Cnr Jan Jonker & Lazaret Street  
Windhoek

**Tel:** +264 61- 388 600

**E-mail:** [kauna@bfs.com.na](mailto:kauna@bfs.com.na)

#### **Merchantec Capital Namibia(Proprietary) Limited**

Head of Sponsor: Monique Martinez

P.O. Box 90242, Klein Windhoek  
14 Schafer Street,  
Windhoek

**Tel:**+27 11 325 6363

**E-mail:** [sponsorteam@merchantec.co.za](mailto:sponsorteam@merchantec.co.za)

#### **Old Mutual Investment Services (Namibia) (Proprietary) Limited**

Director: Brigitte Weichert

P.O. Box 25548, Windhoek  
Mutual Tower, 223 Independence Avenue  
Windhoek

**Tel:** +264 61-299 3040

**E-mail:** [BWeichert@oldmutual.com](mailto:BWeichert@oldmutual.com)

#### **PointBreak Wealth Management (Proprietary) Limited**

Managing Director: Anielle von Finckenstein

P.O. Box 97438, Windhoek  
C/O Feld & Lossen Street  
Windhoek

**Tel:** +264 61 378 800

**E-mail:** [Anielle.vf@pointbreak.com.na](mailto:Anielle.vf@pointbreak.com.na)

#### **RMB Namibia**

**a division of First National Bank of Namibia Limited  
("RMB")**

**Corporate and Investment Banking Division**

Head: Investment Banking Division: Jason Shikalepo

P.O. Box 195, Windhoek  
1st Floor, @Parkside Building, 130 Independence  
Avenue, Windhoek

**Tel:** +264 61 299 2590

**E-mail:** [jason.shikalepo@rmb.com.na](mailto:jason.shikalepo@rmb.com.na)

# Glossary

<b>AGM</b>	Annual General Meeting
<b>ASEA</b>	African Securities Exchange Association
<b>BDA</b>	Broker Deal Accounting System
<b>Board</b>	Board of Directors
<b>CFA</b>	Chartered Financial Analyst
<b>CoSSE</b>	Committee of SADC Stock Exchanges
<b>CPC</b>	Capital Pool Companies
<b>CSD</b>	Central Securities Depository
<b>ESG</b>	Environmental, social and governance
<b>ETFs</b>	Exchange Traded Funds
<b>ETPs</b>	Exchange Traded Products
<b>ETNs</b>	Exchange Traded Notes
<b>FIMA</b>	Financial Institutions and Markets Act, 2021
<b>FTSE</b>	Financial Times Stock Exchange
<b>IoDSA</b>	The Institute of Directors in Southern Africa
<b>JSE</b>	Johannesburg Stock Exchange
<b>King IV</b>	The King IV Report on Corporate Governance™ for South Africa, 2016 Governance™ for South Africa, 2016 (Copyright and trademarks are owned by the IoDSA, and all of its rights are reserved)
<b>NamCode</b>	The Corporate Governance Code for Namibia (copyright vests jointly in the NSX and the IoDSA) and all of their rights are reserved)
<b>NAMFISA</b>	Namibia Financial Institutions Supervisory Authority
<b>NSX</b>	Namibian Stock Exchange
<b>OTC</b>	Over-The-Counter
<b>SECA</b>	Stock Exchanges Control Act, 1985, as amended
<b>SESC</b>	Social, Ethics and Sustainability Committee
<b>SPAC</b>	Special purpose acquisition company
<b>SSE initiative</b>	United Nations Sustainable Stock Exchanges Initiative
<b>WFE</b>	World Federation of Exchanges



# Corporate Information

## Nature of business

Stock exchange  
Transfer agent  
Property owning company  
Guarantee fund  
Central securities depository services

## Auditors

Deloitte & Touche

## Bankers

First National Bank of Namibia Limited  
Nedbank Namibia Limited

## Address

4 Robert Mugabe Avenue  
(Parking and access from Dr Theo-Gurirab Street)  
P.O. Box 2401  
Windhoek  
Namibia

## Contact details

Tel: +264 61 227 647  
Fax: +264 61 248 531  
Email: [info@nsx.com.na](mailto:info@nsx.com.na)

## Website

[www.nsx.com.na](http://www.nsx.com.na)





[nsx.com.na](https://www.nsx.com.na)

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