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NAMDIA CELEBRATES HISTORIC DIVIDEND DECLARATION AND ANNUAL REPORT 2022/2023 LAUNCH

27 September 2023, Windhoek, Namibia – NAMDIA, the Namib Desert Diamonds (Proprietary) Limited Company, a 100% commercial public enterprise marked a historic occasion at the launch of its Annual Report for the financial year 2022/2023 and the declaration of its highest dividend to date. Esteemed guests and stakeholders attended the event, held at Droombos on the 27 September 2023, which celebrated significant achievements and underscored NAMDIA's commitment to excellence in the diamond industry and the sustainable development of Namibia.

The highlight of the event was the announcement of a record-breaking dividend of N\$ 300 million to NAMDIA's shareholder, the Government of the Republic of Namibia. This extraordinary dividend sets a new benchmark in NAMDIA's history, accentuating the company's dedication to enhancing the nation's economic well-being. This achievement builds upon the impressive dividends declared in previous years: N\$ 50 million for 2018/2019, N\$ 80 million for 2019/2020, N\$ 40 million for 2020/2021, and N\$ 150 million in 2021/2022.

During her presentation of the company's strategic performance, the CEO of NAMDIA, Ms. Alisa Amupolo, illuminated key performance indicators and provided an overview of NAMDIA's strategic objectives as it continues to execute its 5-year strategic plan incepted in 2022/2023. She highlighted that the 2022/2023 financial year saw NAMDIA's strongest performance since inception, with revenue reaching N\$3.1 billion. NAMDIA's hybrid selling method, which includes direct sales and competitive bidding, enabled the realization of a diversified our business model

and led to exceptional results coupled with increased production and favorable market conditions.

The Annual Report for the financial year 2022/2023, unveiled during the event, offers an in-depth examination of NAMDIA's operations, financial performance, sustainability initiatives, and vision for the future. The report reaffirms NAMDIA's commitment to transparency, accountability, and exemplary governance practices.

In his comprehensive overview of NAMDIA's financial performance, the Chief Operations Officer, Mr. Uahoroka Kauta, conducted an analysis of the institution's financial achievements. He also provided a comparative analysis from the previous financial year, illustrating the remarkable success of the company.

Amidst the celebration of these momentous financial achievements, the event spotlighted NAMDIA's dedication to Corporate Social Responsibility (CSR) projects. In the 2022/2023 financial year, NAMDIA invested over N\$ 5 million in CSR initiatives aimed at positively impacting local communities and promoting sustainable development. The company reaffirmed its commitment to intensify and expand its CSR operations in the coming financial year, furthering its mission to make a meaningful difference in the lives of Namibians.

Mr. Bryan Eiseb, the Chairperson of the NAMDIA Board of Directors, presiding over the official launch of the Annual Report for 2022/2023 and the declaration of the dividend, expressed heartfelt appreciation to staff members, clients, service providers, the Government of the Republic of Namibia, and the media for their pivotal roles in NAMDIA's journey. He underscored NAMDIA's resolute commitment to establishing itself as an institution guided by robust governance principles and emphasized that the launch of the Annual Report serves as a testament to this commitment.

During her acceptance speech of the dividend on behalf of the Government of the Republic of Namibia, Deputy Minister of Finance and Public Enterprises, Honourable Maureen Hinda-Mbuende praised NAMDIA's dedication to contributing to the economic well-being of Namibia. "This substantial contribution will undoubtedly support the Government's efforts in various sectors, ultimately benefitting our people and advancing our nation's development goals," she added.

NAMDIA's leadership expressed optimism about the future and its commitment to building upon existing partnerships, exploring new opportunities, and continuing to drive positive change in the diamond industry and Namibia's development.

The event concluded with attendees leaving with a profound sense of shared accomplishment and a reinforced commitment to responsible practices. NAMDIA eagerly anticipates a future filled with shared successes and continued collaboration with its valued stakeholders.

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About NAMDIA:

Established in 2016 by the Government of the Republic of Namibia, Namib Desert Diamonds (Pty) Ltd (NAMDIA) is a cutting-edge diamond marketing and sales company, perfectly positioned to create a sustainable route to market and sell a portion of Namibia's unique and highly sought-after diamonds directly to the market.

1. NAMDIA Overview

Namib Desert Diamonds (Pty) Ltd (NAMDIA) is the rough diamond sales and marketing channel of the Government of the Republic of Namibia. In terms of the Diamond Sales and Marketing Agreement, NAMDIA is entitled to purchase, on behalf of Government, 15 percent of the representative cut-off of Namdeb Holdings' total run-of-mine production per annum, from the Namibia Diamond Trading Company (NDTC).

2. Looking Back at the 2022/2023 Financial Year

2.1 Corporate Governance

NAMDIA diligently subscribes to principles of best practice in corporate governance for public enterprises and business management, as set out in the Public Enterprises Governance Act, 2019 (Act No.1 of 2019) and the Corporate Governance Code for Namibia (NamCode)

The NAMDIA Board consists of four independent non-executive directors. The current directors are Bryan Eiseb (Chairperson), Liina Muatunga (Director), Selma Shimutwikeneni (Director), and Justus Hausiku (Director). They are each serving their second 3-year term, which will come to an end on 30 April 2026.

During the period under review, the Board and its committees satisfactorily met their respective obligations in all material aspects. In addition, the Board and its committees achieved an almost 100 percent meeting attendance rate, which is indicative of the directors' commitment to realising NAMDIA's strategic objectives and fulfilling its mandate.

2.2 Key Achievements

The financial year 01 March 2022 to 28 February 2023 was truly a remarkable year, with NAMDIA achieving record growth and the best financial results since its establishment in 2016.

- **Financial performance**

Revenue for the 2022/2023 financial year amounted to N\$3.1 billion, an increase of 63 percent compared to the N\$1.9 billion achieved in the previous year. The company

recorded a gross profit of N\$628 million (2021/2022: N\$284 million), resulting in a profit before tax of N\$612 million (2021/2022: N\$218 million) and a profit after tax of N\$409 million (2021/2022: N\$144 million).

NAMDIA's exceptional performance can be attributed to an increased purchase entitlement, the diversification of NAMDIA sales channels and the strong performance of the diamond industry during the first half of 2022.

- ***Sales performance***

NAMDIA's purchase entitlement increased by 24.9 percent to 278,609 carats, mostly due to the increased production of Namibian diamonds after the inauguration of the diamond recovery vessel Benguela Gem in March 2022.

NAMDIA held nine (9) sales during the reporting period. The average buying price was US\$581 per carat and the average selling price US\$669 per carat, translating to margins of 15.2 percent above Standard Selling Value (SSV), the company's highest since its establishment.

NAMDIA held its first competitive bidding sale in February 2022. The new hybrid selling method is made up of 60 percent direct sales and 40 percent competitive bidding and serves to optimise and obtain the best sales value for Namibian diamonds.

In March 2022, NAMDIA increased its client base from sixteen (16) clients to thirty-six (36) clients according to the selection process outlined in NAMDIA's Client Selection Policy.

To allow NAMDIA to share in the proceeds from the sale of polished diamonds, a Joint Venture agreement with NAMDIA client Samir Gems was signed. The once-off agreement opened a door into the downstream market, and going forward, similar opportunities will be explored in pursuit of NAMDIA's price discovery mandate.

- **Public relations**

NAMDIA's public relations (PR) strategy focused on building strong relationships with the media and implementing policies to effectively convey corporate messaging and manage its reputation in the face of evolving challenges.

Comprehensive measurement and evaluation strategies were implemented to assess the effectiveness of NAMDIA's PR efforts and identify areas for improvement.

PR highlights included the announcement of the company's new client list, the declaration of a dividend of N\$150 million, visits from government officials, including His Excellency, Dr. Hage G. Geingob, and the Governor of the Bank of Namibia, and NAMDIA's first exhibition outside the country at the JGW in Singapore.

- **Safety and security**

The Safety and Security team ensured the comprehensive protection of NAMDIA employees, clients and other key stakeholders, and played a critical role in safeguarding all aspects of NAMDIA's operations, including the import, sorting, client viewing, sale and export of diamonds.

No incidents or loss of diamonds were recorded during the year, thereby maintaining NAMDIA's impressive record of zero incidents and zero loss of diamonds since inception.

- **Human resources**

In line with the Integrated Strategic Business Plan 2022 – 2026, NAMDIA reduced its Executive Management structure to three (3) members. A new Chief Executive Officer was recruited, and the positions of Chief Operations Officer and Executive: Market Development, Sales & Branding were filled. The Executive team is now fully capacitated.

We continued to invest in our employees through the Employee Study Scheme, which offers financial assistance, guidance and resources to employees seeking to further their education. In addition, N\$490,000 was invested in various training opportunities for staff.

As part of our commitment to fostering a supportive and inclusive work environment and ensuring comprehensive representation for our employees, NAMDIA entered a partnership with the Mine Workers Union (MUN).

- ***Information and Communication Technology***

NAMDIA implemented several ICT initiatives with a specific focus on enhancing security, including a highly sophisticated Artificial Intelligence-powered cybersecurity system, and a world-class email security and anti-spam solution.

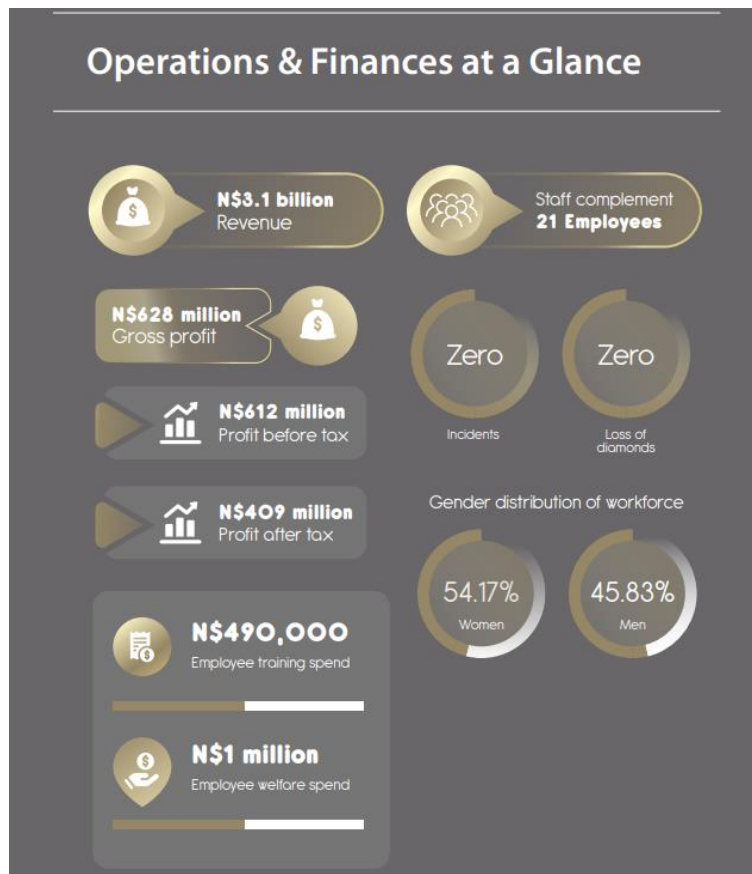
NAMDIA ICT systems maintained an impressive uptime and availability rate of 99.5 percent, thereby supporting uninterrupted operations and enabling us to serve our stakeholders effectively and efficiently.

- ***The NAMDIA Foundation***

NAMDIA invested N\$5.6 million in community development initiatives in health, education, and sports, through the NAMDIA Foundation, the company's Corporate Social Responsibility (CSR) vehicle.

A major highlight was the launch of the NAMDIA Bursary Scheme and the selection of the first cohort of fourteen (14) bursary recipients. With an annual investment of N\$2.8 million, the Bursary Scheme will enable students from underprivileged backgrounds to pursue higher education.

2.3 The Year in Numbers



3. Looking Ahead: Key Focus Areas for 2023/2024

As NAMDIA enters the second year of implementing its Integrated Strategic Business Plan, the sales strategy will be reviewed to secure steady, long-term revenue through alignment with the company's overall business goals, acquire new clients, and explore and leverage new business opportunities in the evolving diamond industry.

In addition, NAMDIA will continue to undertake price discovery in the global diamond market, with a view to benchmark the true value of Namibian diamonds and seek to increase NAMDIA's purchase entitlement to benefit Namibia and her people.

Our commitment to capacitate Namibians in the cutting and polishing of Namibian diamonds will shift our strategic focus to give preference and make Namibian diamonds available to companies with a presence in the country and that employ Namibians.

In pursuit of Environmental, Social and Governance (ESG) goals, NAMDIA will optimize technology by introducing dynamic sale digitally enabled and assess traceability by integrating digital tracking solutions to enable retailers to track a Namibian diamond's journey, thereby boosting consumer confidence.

With the organisational review process, NAMDIA has embarked on a cultural transformation journey that will harness the value of employees and create synergies between business units to ensure the effective, efficient, and ethical execution of our mandate. We are committed to embedding a corporate culture driven by NAMDIA values and characterised by zero tolerance for corruption.

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