

NICTUS HOLDINGS LIMITED  
 Incorporated in the Republic of Namibia  
 Registration number NAM 1962/1735  
 NSX Share code: NHL  
 ISIN Code NA000A1J2SS6  
 "Nictus" or "the Company"

ABRIDGED REPORT RELATING TO THE AUDITED FINANCIAL RESULTS FOR THE YEAR ENDED  
 31 MARCH 2019 AND DETAILS OF THE NOTICE OF ANNUAL GENERAL MEETING

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

Figures in N\$'000	2019	2018
<b>Assets</b>		
Non-current assets	827 762	898 214
Property, plant and equipment	342 131	340 220
Investment property	43 642	43 350
Intangible assets	2 207	2 187
Trade and other receivables	12 009	14 512
Investments at fair value	753	1 000
Loans and receivables	415 808	487 051
Deferred tax assets	11 212	9 894
Current assets	897 124	835 144
Total assets	1 724 886	1 733 358
<b>Equity and liabilities</b>		
Equity	167 052	166 044
Stated capital	129	129
Total non-distributable reserves	74 399	74 399
Retained income	92 524	91 516
<b>Liabilities</b>	1 557 834	1 567 314
Non-current liabilities	142 471	152 430
Interest-bearing loans and borrowings	115 031	121 966
Deferred tax liabilities	27 440	30 464
Current liabilities*	1 415 363	1 414 884
Insurance contract liability	1 304 200	1 276 311
Other current liabilities	111 163	138 573
Total equity and liabilities	1 724 886	1 733 358

\* Included in current liabilities is the insurance contract liability. Premiums received under this liability are invested in terms of the Insurance Act with the result that certain investments are of long-term nature.

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

Figures in N\$'000	2019	2018
Revenue	677 603	831 921
Cost of sales	(483 117)	(621 141)
Gross profit	194 486	210 780
Other income	9 919	19 123
Other operating gains / (losses)	2 254	(2 991)
Operating and admin expenses	(224 913)	(240 527)
Investment income from operations	33 316	30 392
Operating profit	15 062	16 777
Investment income	2 798	2 538
Finance costs	(15 046)	(20 268)
Profit / (loss) before taxation	2 814	(953)
Taxation	4 342	6 551
Profit for the year	7 156	5 598
Other comprehensive income:		
Net gains on property revaluation	-	1 828
Taxation relating to other comprehensive income	-	(585)
Other comprehensive income for the year net of taxation	-	1 243
Total comprehensive income for the year	-	6 841
Total comprehensive income attributable to:		
Owners of the parent	7 156	6 841
Earnings per share		
Basic and Diluted earnings per share (cents)	13,64	10,47
Basic and Diluted earnings per share before treasury share adjustment(cents)	13,39	10,47
Weighted average number of shares in issue (000's)	52 461	53 443

## CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Figures in N\$'000	Stated capital	Revaluation reserve	Insurance contingency reserve	Retained earnings	Total Equity
Balance at 1 April 2017	129	58 767	15 551	90 898	165 345
Total comprehensive income for the year	-	1 243	-	5 598	6 841
Profit for the year	-	-	-	5 598	5 598
Other comprehensive income	-	1 243	-	-	1 243
Transfer of revaluation reserve to retained earnings	-	(1 162)	-	1 162	-
Prescribed dividends	-	-	-	271	271
Dividends paid to ordinary shareholders	-	-	-	(6 413)	(6 413)
Total contributions by and distributions to owners of the company recognised directly in equity	-	(1 162)	-	(4 980)	(6 142)
Balance at 1 April 2018	129	58 848	15 551	91 516	166 044
Total comprehensive income for the year	-	-	-	7 156	7 156
Profit for the year	-	-	-	7 156	7 156
Prescribed dividends	-	-	-	265	265
Dividends paid to ordinary shareholders	-	-	-	(6 413)	(6 413)
Total contributions by and distributions to owners of the company recognised directly in equity	-	-	-	(6 148)	(6 148)
Balance at 31 March 2019	129	58 848	15 551	92 524	167 052

CONDENSED CONSOLIDATED STATEMENT OF CASHFLOW

Figures in N\$'000	2019	2018
Cash flow from operating activities		
Cash generated from operations	82 410	197 563
Investment income from operations	2 798	2 538
Finance costs	(15 046)	(20 268)
Net cash from operating activities	70 162	179 833
Cash flow from investing activities		
Purchase of property, plant and equipment	(6 622)	(11 217)
Proceeds from sale of property, plant and equipment	1 345	788
Purchase of investment property	(292)	(497)
Purchase of intangible assets	(896)	(1 693)
Sale / (purchase) of investments at fair value	7 466	(15 788)
Increase of loans and receivables	(28 249)	(68 024)
Net cash from investing activities	(27 248)	(96 431)
Cash flow from financing activities		
Repayment of loans from related parties	(6 141)	(540)
Proceeds / (repayment) of borrowings	1 875	(19 224)
Dividends paid	(6 413)	(6 413)
Net cash from financing activities	(10 679)	(26 177)
Net movement in cash and cash equivalents	32 235	57 225
Cash and cash equivalents at beginning of year	394 215	336 990
Cash and cash equivalents at the end of year	426 450	394 215

CONDENSED CONSOLIDATED SEGMENTAL ANALYSIS

Figures in N\$'000	2019	2018
Segment revenue		
Retail	591 809	749 943
Property companies	24 637	27 434
Insurance and finance	101 440	99 280
	717 886	876 657
Head office and eliminations	(40 283)	(44 736)
Total revenue for the year	677 603	831 921
Analysis of revenue by product / service		
Revenue from contracts with customers		
Sale of goods and rendering of services	580 154	735 477
Insurance premium income	32 422	32 709
Revenue other than from contracts with customers		
Rental income	2 098	1 524
Finance income	62 929	62 211
Total revenue	677 603	831 921

Figures in N\$'000	2019	2018
Net profit / (loss) after taxation		
Retail	(9 629)	(12 213)
Property companies	(3 853)	(4 778)
Insurance and finance	23 731	25 322
	10 249	8 331
Head office and eliminations	(3 093)	(2 733)
Total profit for the year	7 156	5 598
Segment assets		
Retail	231 199	305 746
Property companies	388 987	386 807
Insurance and finance	1 420 312	1 385 959
	2 040 498	2 078 512
Head office and eliminations	(315 612)	(345 154)
Total as per statement of financial position	1 724 886	1 733 358
Segment liabilities		
Retail	178 518	267 436
Property companies	288 078	333 250
Insurance and finance	1 365 599	1 344 428
	1 832 195	1 945 114
Head office and eliminations	(274 361)	(377 800)
Total as per statement of financial position	1 557 834	1 567 314

#### RECONCILIATION BETWEEN EARNINGS AND HEADLINE EARNINGS

Figures in N\$'000	2019	2018
Weighted average number of shares in issue for basic, diluted and headline earnings per share ('000)	52 461	53 443
Profit for the year, net of taxation	7 156	5 598
Profit on disposal of plant and equipment	(306)	(276)
Fair value adjustment on investment property	-	1 933
Headline earnings	6 850	7 255
Headline and diluted headline earnings per share (cents)	13,06	13,57
Headline and diluted headline earnings per share before treasury share adjustment(cents)	12,82	13,57

## 1. BASIS OF PREPARATION

The abridged summarised annual financial statements have been prepared in accordance with the recognition and measurement requirements of International Financial Reporting Standards (IFRS), in compliance with IAS34: Interim Financial Reporting, in the manner as required by the Companies Act of Namibia and the Listing Requirements of the Namibian Stock Exchange. The summarised annual financial statements should be read in conjunction with the consolidated annual financial statements for the year ended 31 March 2019, which have been prepared in accordance with IFRS.

### 1.1 ACCOUNTING POLICIES

The accounting policies are consistent with those applied in the annual financial statements for the year ended 31 March 2018, other than the new standards and interpretations adopted, summarised below.

Standards and interpretations issued affecting amounts reported and disclosures, and that have a material impact on the Group are IFRS 9 Financial Instruments and IFRS 15 Revenue from Contract Customers. The application of IFRS 9 and IFRS 15 did not result in any impact on profit or loss, nor on assets, liabilities and equity for the current or prior year.

Standards and interpretations issued but not yet effective that could have a material impact on the Group are IFRS 16 Leases and IFRS 17 Insurance Contracts. The expected impact of IFRS 16 is the recognition of right of use assets and lease liability on the balance sheet for leases outside of the Group. Adoption of IFRS 17 is currently not quantifiable, but is not expected to materially impact the results of the Group. This may result in more disclosure than is currently provided.

## 2. RELATED PARTIES

During the period, certain companies within the Group entered into transactions with each other. These intra-Group transactions have been eliminated on consolidation. Related party information is unchanged from that reported at 31 March 2018. Refer to the 2019 audited annual financial statements for further information.

## 3. DIVIDENDS

The Company's dividend policy is to consider an interim and a final dividend in respect of each financial year. At its discretion, the board may consider a special dividend, where appropriate. Depending on the perceived need to retain funds for expansion or operating purposes, the board may pass on the payment of dividends.

Ordinary dividends of 12 cents per share (N\$ 6,4 million) was declared and paid by the Company on 23 July 2018.

Final dividend of 12 cents per share (N\$ 6,4 million) was approved by the board on 12 June 2019 in respect of the year ended 31 March 2019. The dividend will be declared out of retained earnings. The dividend has not been provided for and there are no accounting implications for the current financial year.

Last date to trade ordinary shares	
"cum" dividend	Friday 12 July 2019
Ordinary shares trade "ex" dividend	Monday 15 July 2019
Record date	Friday 19 July 2019
Payment/issue date	Monday 22 July 2019

Share certificates may not be dematerialised between Monday 15 July and Friday 19 July 2019 both days inclusive.

The non-residents shareholders tax varies according to applicable legislation.

#### 4. RESPONSIBILITY FOR CONSOLIDATED ANNUAL FINANCIAL STATEMENTS

Accounting policies have been applied consistently with those of the prior year, except for the changes set out in note 1.1. The annual financial statements for the year ended 31 March 2019 have been audited by SGA Chartered Accountants and Auditors, and their unqualified audit opinion is available for inspection at the registered office of the company.

#### 5. DIRECTORS' RESPONSIBILITY

The directors take full responsibility for the preparation of the summarised annual financial statements, and that the financial information has been correctly extracted from the underlying audited annual financial statements for the year ended 31 March 2019.

#### 6. EVENTS AFTER THE REPORTING PERIOD

There were no events after the reporting period other than the declaration of the dividend which affected the presentation of the annual financial statements for the year ended 31 March 2019, and the appointment of Mrs TB Horn as director effective 4 April 2019.

#### 7. DIRECTORATE

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

- Gerard Swart (Independent Non-executive Chairman)
- PJ de W Tromp (Group Managing Director)
- NC Tromp (Strategic and Non-executive Director)
- GR de V Tromp (Non-executive Director)
- FR van Staden (Executive Director)
- WO Fourie (Financial Director)
- JD Mandy (Independent Non-executive Director)
- TB Horn (Independent Non-executive Director) (appointed 4 April 2019)

## CHAIRMAN'S REPORT

The business environment remained stagnant and was for all sectors in the economy a challenging time. The Nictus Group did not escape this trend and overall results remained under pressure although results were somewhat better than the previous year.

### SEGMENTS

The insurance segment once again contributed largely to the overall profit of the Group. I am optimistic that the insurance segment will continue to be a major profit contributor to the Group's results. Other segments performed better than the previous year although still not profitable. Furniture retail focused on retaining its market share and is on track with its organic growth strategy.

Management's concerted efforts to realign all segments to be in line with a smaller economy culminated in cost savings and better results. This should align the Group to be profitable again in a future growing economy.

### ECONOMIC OUTLOOK

The Namibian economy is under tremendous pressure due to the past over stimulation and overspending in all sectors. It will take some time to recover and to be a stable environment again in which business can prosper. This will largely depend on how government rectify that what went wrong in the past and incentivise business to do well again in future. In my view it will take years to be back on a sustainable path of economic growth.

### APPRECIATION

I would like to thank all involved in the Group for their loyalty, dedication and support, especially in trying times like now where each one is important to us. Lastly, all glory to God, the Almighty, for guiding us and protecting us during the year.

Gerard Swart  
Chairman of Nictus Holdings Limited.

## MANAGING DIRECTORS REPORT

Esteemed Stakeholders,

### THE 'NEW NORMAL'

While settling into the current situation and adapting to the changes in our environment, which I call the 'new normal', the Nictus Group also had to align itself with the new situation.

Adapting to the drastic change in our economic situation was no easy task; it came at a price and required an immense effort to adjust within a short time. Throughout the country, devastating traces of failing businesses reluctant to adapt and to change can be seen. With the average lifecycle of businesses getting shorter each year, one has to adjust to the changes and remain in touch with the business environment.

Artificial intelligence is a driver in this whole process, and I don't think we truly understand the impact that it will have in the years to come. During the past year the onslaught came, we accepted the challenge, we fought the war, survived and above all, still managed to progress as a Group.



## FINANCIAL

The retail segment was under immense pressure to re-establish itself within a ruthlessly declining market due to a lack of consumer spending. Despite the withdrawal of General Motors and getting to grips with a reconstructed tyre business, I am grateful for the results achieved under the current circumstances.

Inefficiencies had to be addressed, and processes and systems needed to be realigned. With a drop in turnover in excess of 21% and with a growth strategy for the furniture market that still requires some investment, we managed to improve the results achieved last year, also by more than 21%.

In our property segment, we focused on efficiencies and cost-saving initiatives, along with filling our vacancies - and this paid off for us. We bettered the 2018 result by 19%. Market-related rentals are under pressure and because property forms a major part of our business, we resolutely addressed this aspect. Although we did not quite reach our target, I am pleased with results attained in this segment.

In the insurance and finance segment, turnover remained on the same level as the previous year. Even though the income from premiums declined, we managed to support the deficit with an increased income on the investment side. Profitability dwindled by 6% compared to 2018; a result which I think is quite remarkable, taking into consideration the 'new normal'.

We are therefore thankful that despite a total decline of 18.5% in our turnover, we can report a 27% increase in profit after tax from the N\$5.5 million attained in the previous financial year.

This result, which was not easy to achieve, is still below the required level, but is an indication that the changes we made are giving us the assurance that we are moving in the right direction.

## SYSTEMS AND PROCEDURES

The systems and procedure side of the business received a lot of input over the past financial year. We centralised the financial, administration and marketing divisions of the subsidiaries to obtain more efficiency and effectiveness in the Group. This was somewhat more difficult than planned but we envision it will still reach its full potential in the next two to three years.

We have also started a big drive to revisit our systems and processes to reduce manual and cumbersome practices. We will be continuing with this in the coming year but are taking into account the fact that there will need to be a balance between investment and the result that we wish to achieve.

## CUSTOMERS AND STAKEHOLDERS

During the past year we found ourselves moving much closer to our major suppliers and stakeholders. We experienced that building relationships are vital, especially in times like these, to strengthen our partnerships to carry us through difficult situations.

Several inefficiencies in our buying process were addressed and this contributed to the results obtained. We managed to grow our client base in all our segments, and I would like to assure them that we will continue to strive for excellence in what we do.

The impetus towards becoming exceptional wealth creators will continue, and I would like to thank each supplier, client, associate, staff member and shareholder for their continued support throughout the past year.

#### LEARNING AND GROWTH

The downturn in the economy unfortunately took its toll on our staff complement. Retrenchments are heart-rending and never easy. I am however convinced that we managed to retain the best talent in the Group. People remain our most valuable asset and we will continue to develop the skills of our labour force.

#### EXPECTATIONS

I do not foresee any major upswing in the near future. Growth lies in adapting to the environment and rooting out inefficiencies within our own businesses. Indications on some policy changes from government's side might restore trust in the markets but will not have a major effect on consumer spending in the short term.

I am convinced that the changes we made during the past year will become more and more effective and that the foundation is laid to deliver better results in the coming years. We keep looking for synergies within the Group, but also focus on complementing activities for the Group. I believe that we may see some new connections in the coming year.

All grace, glory and praise to our Heavenly Father who guided and embraced us during this year. We will always depend on and pray for His grace for the future.

Regards,

Philippus Tromp  
Managing Director  
Nictus Holdings Limited

## ANNUAL REPORT AND NOTICE OF ANNUAL GENERAL MEETING

As the annual report for the year ended 31 March 2019 ("the annual report") was posted to shareholders within 3 months of Nictus' year end, this announcement is not required to appear in the press and will not be sent to shareholders.

The annual report contains a notice convening the annual general meeting of Nictus shareholders for the year ended 31 March 2019 ("the AGM"). The AGM will be held in the ground floor boardroom, Nictus Building, 140 Mandume Ndemufayo Avenue, Windhoek on Thursday 29 August 2019 at 16h00 (Namibian Time).

The Notice of the Annual General Meeting and Annual Financial Statements are to be distributed to shareholders on Friday, 28 June 2019. The annual report is available on the website [www.nictusholdings.com](http://www.nictusholdings.com)

Accordingly, the last day to trade in order to be eligible to participate and vote will be Tuesday, 27 August 2019.

On behalf of the Board

PJ De W Tromp  
JD Mandy  
Windhoek, 27 June 2018

Sponsor on the NSX: Simonis Storm Securities (Member of the NSX)

