

Nictus Holdings Limited

(Incorporated in the Republic of Namibia)

(Registration number 1962/1735)

Share Code: NHL

ISIN Code: NA000A1J2SS6

UNAUDITED CONSOLIDATED GROUP FINANCIAL RESULTS FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2020

		Unaudited			Audited
CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS & OTHER COMPREHENSIVE INCOME					
Figures in N\$'000		Six months ended	Six months ended	Change %	Year ended
		30 Sept 20	30 Sept 19		31 March 20
	Note				
Revenue	4	285,530	316,645	(10)	631,060
Cost of sales		(190,076)	(225,635)	(16)	(420,019)
Claims incurred		(11,964)	(2,979)	302	(8,102)
Gross profit		83,490	88,031	(5)	202,939
Other income		3,763	3,287	14	5,006
Other operating gains		5	84	(94)	1,132
Investment income from operations		8,566	16,581	(48)	30,833
Operating and administrative expenses		(89,181)	(103,428)	(14)	(220,643)
Operating profit		6,643	4,555	46	19,267
Investment income		1,178	1,499	(21)	2,682
Operating profit before financing costs	5	7,821	6,054	29	21,949
Financing costs		(2,829)	(5,482)	(48)	(8,904)
Profit before taxation		4,992	572	773	13,045
Taxation		(2,874)	568	(606)	(5,683)
Profit for the period		2,118	1,140	86	7,362
Total comprehensive income for the period		2,118	1,140	86	7,362
Other comprehensive income:					
Total comprehensive income for the year		2,118	1,140	86	7,362
Total comprehensive income attributable to:					
Owners of the Parent		2,118	1,140	86	7,362
Earnings per share					
Basic and diluted earnings per share (cents)***	10	4,04	2,17	86	14,03
Basic and diluted earnings per share before treasury shares adjustment (cents)***		3,96	2,13	86	13,78
Dividends per share (cents) * **		12,00	12,00	-	12,00
Net asset value per share (cents)		305,82	301,88	-	313,52
Number of shares in issue (000's)		53,444	53,444	-	53,444
Number of Treasury shares held in Group (000's)		983	983	-	983

* Dividends paid August 2020 of 12 cents per share

** Dividends paid July 2019 of 12 cents per share

*** Shareholders are advised that the 2019 interim results SENS announcement erroneously disclosed the Basic and diluted earnings per share as 2.13 cents per share and the Basic and diluted earnings per share (before treasury share adjustment) as 2.17 cents per share, which has been corrected in the 2020 interim results SENS announcement.

	Unaudited	Audited	
CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION			
Figures in N\$'000	30 Sept 20	30 Sept 19	31 Mar 20
ASSETS			
Non-current assets	860,430	838,739	876,894
Property, plant and equipment	345,342	348,970	346,273
Right of use assets	6,280	-	6,234
Investment property	43,642	43,642	43,642
Intangible assets	5,374	4,179	3,408
Investments at fair value	13,245	6,411	13,262
Trade and other receivables	435,097	422,197	451,869
Deferred tax assets	11,450	13,340	12,206
Current assets	834,972	806,190	1,133,079
Total assets	1,695,402	1,644,929	2,009,973
EQUITY			
Stated capital	129	129	129
Revaluation reserve	58,848	58,848	58,848
Contingency reserve (Insurance)	15,551	15,551	15,551
Retained earnings	88,912	86,809	93,031
LIABILITIES			
Non-current liabilities	55,422	47,764	144,906
Interest bearing loans and borrowings	17,314	17,305	108,190
Finance lease liabilities	4,464	4,648	5,179
Deferred tax liabilities	33,644	25,811	31,537
Current liabilities *	1,476,540	1,435,828	1,697,508
Insurance contract liability	1,366,578	1,304,389	1,402,213
Other current liabilities	109,962	131,439	295,295
Total liabilities	1,531,962	1,483,592	1,842,414
Total equity and liabilities	1,695,402	1,644,929	2,009,973

* Included in current liabilities is the insurance contract liability. Premiums received under this liability are invested in terms of the Short-term insurance Act of 1998, enacted in Namibia with the result that certain investments are of a long term nature.

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Figures in N\$'000

	Stated Capital	Revaluation Reserve	Contingency reserve	Retained earnings	Total equity
Balance at 1 April 2019	129	58,848	15,551	91,817	166,345
Total comprehensive income	-	-	-	1,140	1,140
Profit for the period	-	-	-	1,140	1,140
Contributions by and to the owners of the Group	-	-	-	(6,148)	(6,148)
Dividends to equity holders	-	-	-	(6,413)	(6,413)
Prescribed dividends	-	-	-	265	265
Balance at 30 September 2019	129	58,848	15,551	86,809	161,337
Total comprehensive income	-	-	-	6,222	6,222
Profit for the period	-	-	-	6,222	6,222
Balance at 31 March 2020	129	58,848	15,551	93,031	167,559
Total comprehensive income	-	-	-	2,118	2,118
Profit for the period	-	-	-	2,118	2,118
Contributions by and to the owners of the Group	-	-	-	(6,237)	(6,237)
Dividends to equity holders	-	-	-	(6,413)	(6,413)
Prescribed dividends	-	-	-	176	176
Balance at 30 September 2020	129	58,848	15,551	88,912	163,440

	Unaudited		Audited
	Six months ended 30 Sept 20	Six months ended 30 Sept 19	Year ended 31 Mar 20
Figures in N\$'000			
Cash (used in) / generated from operations *	(155,548)	14,075	116,508
Interest income	1,178	1,499	2,682
Finance cost	(2,829)	(5,482)	(8,903)
Tax paid	(26)	-	(2,248)
Net cash (used in) / generated from operating activities	(157,225)	10,092	108,039
Net cash generated from / (used in) investing activities	25,761	27,088	(11,914)
(Repayment of) from interest-bearing loans and borrowings	(84,717)	(92,349)	(8,583)
Payment on lease liabilities	(2,351)	-	-
Dividends paid	(6,413)	(6,413)	(6,413)
Proceeds from / (repayment of) loans from related parties	-	8,943	(33,910)
Net cash (used in) financing activities	(93,481)	(89,819)	(48,906)
Net movement in cash and cash equivalents	(224,945)	(52,639)	47,219
Cash and cash equivalents at beginning of period	473,669	426,450	426,450
Cash and cash equivalents at end of period	248,724	373,811	473,669

* The re-insurance accrual of N\$ 192,6 million as at 31 March 2020 was paid in April 2020. This resulted in a large cash outflow for the reporting period.

RECONCILIATION OF HEADLINE AND DISTRIBUTABLE EARNINGS

Figures in N\$'000	Note	Six months ended 30 Sept 20	Six months ended 30 Sept 19	Year ended 31 March 20
Profit for the period, net of taxation		2,118	1,140	7,362
(Profit) / loss on disposal of plant and equipment		(25)	(3)	46
Headline earnings	9	2,093	1,137	7,408
Headline earnings per share (cents)		3.99	2.17	14.12
Headline earnings per share before treasury share adjustment (cents)		3.92	2.13	13.86

CONDENSED SEGMENT ANALYSIS

Figures in N\$ '000	Note	Unaudited Six months ended 30 Sept 20	Unaudited Six months ended 30 Sept 19	Change %	Audited Year ended 31 Mar 20
Segment assets					
Retail		245,808	248,638	(1)	247,944
Property		393,041	390,601	1	390,489
Insurance & Finance		1,470,673	1,419,395	4	1,720,668
		<u>2,109,522</u>	<u>2,058,634</u>	<u>2</u>	<u>2,359,101</u>
Head office and eliminations		(414,120)	(413,705)	0	(349,128)
	6	<u>1,695,402</u>	<u>1,644,929</u>	<u>3</u>	<u>2,009,973</u>
Segment revenue					
Retail		243,789	280,947	(13)	528,467
Property (mainly intra-group)		11,047	11,414	(3)	24,207
Insurance & Finance		49,042	54,542	(10)	131,986
		<u>303,878</u>	<u>346,903</u>	<u>(12)</u>	<u>684,660</u>
Head office and eliminations		(18,348)	(30,258)	(39)	(53,600)
	6	<u>285,530</u>	<u>316,645</u>	<u>(10)</u>	<u>631,060</u>
Operating profit / (loss) after taxation					
Retail		158	(6,374)	102	(12,731)
Property		2,110	(2,521)	184	(1,289)
Insurance & Finance		10,106	13,371	(24)	31,327
		<u>12,374</u>	<u>4,476</u>	<u>176</u>	<u>17,307</u>
Head office and eliminations		(10,256)	(3,336)	210	(9,945)
	6	<u>2,118</u>	<u>1,140</u>	<u>86</u>	<u>7,362</u>

NOTES TO THE FINANCIAL INFORMATION

1. BASIS OF PREPARATION

The condensed consolidated interim financial statements have been prepared in accordance with International Financial Reporting Standards, IAS 34 Interim Financial Reporting, and the Companies Act of Namibia. These condensed Group financial statements do not include all the information necessary for full International Financial Reporting Standard disclosure. The accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period.

The interim financial statements are presented in thousands of Namibia Dollars (N\$'000) on the historical cost basis, except for financial instruments which are measured at fair value and land and buildings held for administrative purposes which are measured at revalued amounts.

The condensed consolidated interim financial results are unaudited and have not been reviewed by the independent external auditors.

2. FOREIGN CURRENCY

The Group's functional and presentation currency is the Namibia Dollar. The Company's primary listing is on the Namibian Stock Exchange (NSX).

3. RELATED PARTIES

During the period under review, certain companies within the Group entered into transactions with each other. These intra-Group transactions have been eliminated on consolidation. Related parties remain unchanged from that reported at 31 March 2020.

4. REVENUE

Figures in N\$'000

Financial assets

Revenue from contracts with customers

Sales of goods and rendering of services

Insurance premium income

Revenue other than from contracts with customers

Rental income

Interest received (trading)

Re-insurance income

	Unaudited		Audited
	Six months ended 30 Sept 20	Six months ended 30 Sept 19	Year ended 31 Mar 20
Revenue from contracts with customers			
Sales of goods and rendering of services	241,002	276,180	520,183
Insurance premium income	20,536	10,284	29,651
	261,538	286,464	549,834
Revenue other than from contracts with customers			
Rental income	666	1,140	2,265
Interest received (trading)	20,585	29,041	57,746
Re-insurance income	2,741	-	21,215
	23,992	30,181	81,226
	285,530	316,645	631,060

5. REVIEW OF OPERATIONS

Overview of first six months

Trading conditions were very challenging due to the impact of the Covid 19 and the resultant lockdown within Namibia during the first six months of the financial year. Various actions taken by management to mitigate the potential impact posed by the pandemic resulted in positive results for the Group.

6. SEGMENT RESULTS

Retail segment: Revenue declined compared to the prior reporting period mainly due to vehicle sales lost during April 2020. Auas Motors obtained Suzuki's distribution rights in Namibia from 1 August 2020 and the expectation is that Suzuki will add good value in the future. Negotiations were entered into with suppliers regarding pricing of products, services and other contractual obligations that were mutually beneficial for the supplier and the Group. There was also a drive on cost savings that further contributed to the segment's much improved results for the six months compared to the comparative period. The result is that the segment performed exceptionally well compared to the comparative period and was able to be profitable in these uncertain times.

Property Companies: Revenues declined slightly during the year, but interest rates and financing cost declined significantly more than the lost revenue. The segment was able to show a profit for the first six months of trading due to savings in financing costs.

Insurance and finance: Results for the segment have been in line with expectations. Reduced profitability is mainly due to investment income being under pressure due to significant reduction in investment yields since the beginning of the year. New premiums were also less than the comparative period, mainly due to the pandemic impacting our clients.

7. DETERMINATION & DISCLOSURE OF FAIR VALUES

Fair values have been determined for measurement and/or disclosure purpose based on the following methods. The techniques and inputs used have not changed since the year end.

Investment properties and land and buildings

The Group's Board of directors assessed the values of the land and buildings at 31 March 2020. During the six months under review, the aggregated investments still approximated its fair value. The fair values are based on valuations and other market information that take into consideration the estimated rental value, market yield and replacement value of the property. Should any of the assumptions used in the valuation calculation change, it may have a material impact on the results of the Group. Investment properties and land and buildings are classified as level 2 in terms of the fair value hierarchy.

Investment in equity and debt securities

The investments are measured, at initial recognition and subsequently, at fair value. Transaction costs are recognised in profit or loss.

Cash and cash equivalents

Cash and cash equivalents for the Group is of a short-term nature and the fair values approximates the carrying amount.

Loans receivable and trade and other receivables

The fair value of loans and receivables and trade receivables are recognised 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.

Borrowings, loans from related parties and trade payables

All trade and other payables are of a short term nature and the fair value of trade and other payables is believed to approximate the carrying amount.

The fair value of these instruments are measured at amortised cost using the effective interest method (if applicable).

Fair value hierarchy

For financial instruments recognised at fair value, disclosure is required of a fair value hierarchy which reflects the significance of the inputs used to make the measurements.

- Level 1** represents those assets which are measured using unadjusted quoted prices for identical assets.
- Level 2** applies inputs other than quoted prices that are observable for the assets either directly (as prices) or indirectly (derived from prices).
- Level 3** applies inputs which are not based on observable market data.

There were no transfers between the levels for the reporting period(s).

8.1 Categories of financial instruments

Figures in N\$ '000

Financial assets

Loans receivable
Investment at fair value
Trade and other receivables
Cash and cash equivalents
Re-insurance asset

Unaudited		
30 September 2020		
Amortised cost	FVTPL - mandatory	Total
522,799	-	522,799
-	15,648	15,648
171,645	-	171,645
248,724	-	248,724
-	188,385	188,385
943,168	204,033	1,147,201

Financial liabilities

Interest-bearing loans and borrowings
Trade and other payables
Loans from related parties
Finance lease liability
Insurance contract liability

Amortised	
cost	Total
23,275	23,275
65,443	65,443
35,712	35,712
6,513	6,513
1,366,578	1,366,578
1,497,521	1,497,521

Figures in N\$ '000

Financial assets

Loans receivable
Investment at fair value
Trade and other receivables
Cash and cash equivalents

Unaudited		
30 September 2019		
Amortised cost	FVTPL - mandatory	Total
516,472	-	516,472
-	12,375	12,375
209,048	-	209,048
373,811	-	373,811
1,099,331	12,375	1,111,706

Financial liabilities

Interest-bearing loan and borrowings
Trade and other payables
Loans from relates parties
Finance lease liability
Insurance contract liability

Amortised	
cost	Total
51,298	51,298
47,599	47,599
42,853	42,853
6,877	6,877
1,304,389	1,304,389
1,453,016	1,453,016

Figures in N\$ '000

Financial assets

Loans receivable
Investment at fair value
Trade and other receivables
Cash and cash equivalents
Re-insurance asset

Audited		
31 March 2020		
Amortised cost	FVTPL - mandatory	Total
552,441	-	552,441
-	15,686	15,686
198,829	-	198,829
473,669	-	473,669
-	188,724	188,724
1,224,939	204,410	1,429,349

**8.1 Categories of financial instruments
(continued)**

Financial liabilities	Amortised	
	cost	Total
Interest-bearing loans and borrowings	122,115	122,115
Trade and other payables	255,805	255,805
Loans from related parties	21,589	21,589
Finance lease liability	7,547	7,547
Insurance contract liability	1,402,213	1,402,213
	1,809,269	1,809,269

8.2 Fair value hierarchy of financial assets, land and buildings and investment property

Figures in N\$ '000	Unaudited		
	30 September 2020		
	Fair value	Level 1	Level 2
Land	94,075	-	94,075
Buildings	232,990	-	232,990
Investment property	43,642	-	43,642
Listed shares	2,654	2,654	-
Debt securities	12,994	12,994	-
Loans and receivables	522,799	-	522,799
Re-insurance asset	188,385	-	188,385
	1,097,539	15,648	1,081,891

Figures in N\$ '000	Unaudited		
	30 September 2019		
	Fair value	Level 1	Level 2
Land	94,075	-	94,075
Buildings	229,873	-	229,873
Investment property	43,642	-	43,642
Listed shares	5,964	5,964	-
Debt securities	6,411	6,411	-
Loans and receivables	516,472	-	516,472
	896,437	12,375	884,062

Figures in N\$ '000	Audited		
	31 March 2020		
	Fair value	Level 1	Level 2
Assets			
Land	94,075	-	94,075
Buildings	233,083	-	233,083
Investment property	43,642	-	43,642
Listed shares	2,692	2,692	-
Debt securities	12,994	12,994	-
Loans and receivables	552,441	-	552,441
Re-insurance asset	188,724	-	188,724
	1,127,651	15,686	1,111,965

9. HEADLINE EARNINGS

For the six month period ended 30 September 2020 the only item that impacted the headline earnings calculation was the profit on disposal of plant and equipment.

10. BASIC EARNINGS PER SHARE

Earnings per share based on profit for the six months ended 30 September 2020 was 4.04 cents (30 September 2019: 2,17 cents), compared to a headline earnings per share of 3,99 cents (30 September 2019: 2,17 cents).

11. DIVIDENDS

Ordinary dividends of 12 cents per share (N\$ 6,4 million) were paid by the Company on 24 August 2020. No interim dividend has been proposed by the Board of directors.

12. DIRECTORS

The following directors were re-elected at the Annual General Meeting on 27 August 2020 - PJ de W Tromp, FR van Staden and GR de V Tromp.

TB Horn, FR van Staden and GR de V Tromp were re-elected as members of the Audit committee. TB Horn was appointed as Chairperson of the Audit committee with effect from 27 August 2020.

Gerard Swart resigned as Chairman of the Board on 22 October 2020. GR de V Tromp was elected as Non-Executive Chairman and Gerard Swart as Lead Independent Non-Executive Director on 24 November 2020.

13. PROSPECTS

Various promotions and special transactions have been planned and implemented during the first six months within the retail segment. The initial results of these actions have been positive. The constant drive to achieve higher investment returns, even if only marginal, will remain a focus area.

Traditionally, the majority of the Group's earnings have been generated during the second half of the financial year and the expectations are that this trend will continue during this financial year.

On behalf of the Board:

PJ de W Tromp
TB Horn

Windhoek, 3 December 2020

Sponsor on the NSX

Simonis Storm Securities (Proprietary) Limited
(Member of the NSX)

