

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 2021**

<b>CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME</b>					
Figures in N\$'000	Note	Unaudited		Change %	Audited
		Six months ended 30 Sept 21	Six months ended 30 Sept 20		Year ended 31 Mar 21
Revenue		303,031	264,945	14	617,234
Effective interest income		22,022	20,585	7	39,413
<b>Total revenue</b>	4	325,053	285,530	14	656,647
Cost of sales		(223,938)	(190,076)	17	(446,321)
Claims incurred		(5,677)	(11,964)	(53)	(28,938)
<b>Gross profit</b>		96,398	83,940	15	181,388
Other income		8,768	3,763	133	7,866
Other operating (losses)/gains		(34)	5	(780)	(40)
Investment income from operations		9,280	8,566	8	16,732
Operating and administrative expenses		(101,060)	(89,181)	13	(175,957)
<b>Operating profit</b>		13,352	6,643	101	29,989
Investment income		1,124	1,178	(5)	2,495
<b>Operating profit before financing costs</b>	5	14,476	7,821	85	32,484
Financing costs		(3,815)	(2,829)	35	(4,864)
<b>Profit before taxation</b>		10,661	4,992	114	27,620
Taxation		(4,715)	(2,874)	64	(9,472)
<b>Profit for the period</b>		5,946	2,118	181	18,148
Other comprehensive income					
Impairment of assets		(96)	-	100	-
<b>Other comprehensive income for the period</b>		(96)	-	100	-
<b>Total comprehensive income for the period</b>		5,850	2,118	176	18,148
<b>Total comprehensive income attributable to:</b>					
Owners of the parent		5,850	2,118	176	18,148
<b>Earnings per share</b>					
Basic and diluted earnings per share (cents)	10	11,33	4,04	181	34,59
Basic and diluted earnings per share before treasury shares adjustment (cents)		11,13	3,96	181	33,96
Headline earnings per share (cents)		16,88	3,99	323	34.61
Headline earnings per share before treasury shares adjustment (cents)		16.57	3.92	323	33.98
Dividends per share (cents) * **		18,00	12,00		12,00
Net asset value per share (cents)		329,08	305,82		335,81
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 July 2021 of 18 cents per share

\*\* Dividends paid August 2020 of 12 cents per share

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

<b>Figures in N\$'000</b>	<b>Unaudited</b>		<b>Audited</b>
	<b>30 Sept 21</b>	<b>30 Sept 20</b>	<b>31 Mar 21</b>
<b>ASSETS</b>			
<b>Non-current assets</b>	756,982	860,430	829,262
Property, plant and equipment	342,647	345,342	343,819
Right of use assets	3,940	6,280	4,810
Investment property	43,642	43,642	43,642
Intangible assets	4,005	5,374	4,707
Trade and other receivables	38,242	10,462	31,652
Investments at fair value	36,491	13,245	24,048
Loans and receivables	277,780	424,635	365,891
Deferred tax	10,235	11,450	10,693
<b>Current assets</b>	1,069,899	834,972	1,026,249
<b>Total assets</b>	<b>1,826,881</b>	<b>1,695,402</b>	<b>1,855,511</b>
<b>EQUITY</b>			
	175,875	163,440	179,470
Stated capital	129	129	129
Revaluation reserve	58,752	58,848	58,848
Contingency reserve	15,551	15,551	15,551
Retained earnings	101,443	88,912	104,942
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>	67,257	55,422	142,356
Interest bearing loans and borrowings	21,254	17,314	100,298
Finance lease liabilities	2,321	4,464	2,588
Deferred tax	43,682	33,644	39,470
<b>Current liabilities</b>	1,583,749	1,476,540	1,533,685
Insurance contract liability	1,475,810	1,366,578	1,432,732
Other current liabilities	107,939	109,962	100,953
<b>Total liabilities</b>	<b>1,651,006</b>	<b>1,531,962</b>	<b>1,676,041</b>
<b>Total equity and liabilities</b>	<b>1,826,881</b>	<b>1,695,402</b>	<b>1,855,511</b>

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**

Figures in N\$'000	Stated Capital	Revaluation reserve	Contingency reserve	Retained earnings	Total equity
<b>Balance at 1 April 2020</b>	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 paid	-	-	-	(6,413)	(6,413)
Prescribed dividends	-	-	-	176	176
<b>Balance at 30 September 2020</b>	129	58,848	15,551	88,912	163,440
Total comprehensive income	-	-	-	16,030	16,030
Profit for the period	-	-	-	16,030	16,030
<b>Balance at 31 March 2021</b>	129	58,848	15,551	104,942	179,470
Total comprehensive income	-	(96)	-	5,946	5,850
Profit for the period	-	-	-	5,946	5,946
Impairment of assets	-	(96)	-	-	(96)
Contributions by and to the owners of the Group	-	-	-	(9,445)	(9,445)
Dividends paid	-	-	-	(9,619)	(9,619)
Prescribed dividends	-	-	-	174	174
<b>Balance at 30 September 2021</b>	129	58,752	15,551	101,443	175,875

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW**

Figures in N\$'000	Unaudited		Audited
	Six months ended 30 Sept 21	Six months ended 30 Sept 20	Year ended 31 Mar 21
Cash generated from/(used in) operations	48,029	(155,548)	(89,201)
Interest income	1,124	1,178	2,495
Finance cost	(3,815)	(2,829)	(4,376)
Tax paid	-	(26)	(26)
<b>Net cash generated from/(used in) operating activities</b>	45,338	(157,225)	(91,108)
<b>Net cash (used in)/generated from investing activities</b>	(50,697)	25,761	(19,342)
Repayment of interest-bearing loans and borrowings	(72,804)	(84,717)	(8,645)
Payment on lease liabilities	(1,533)	(2,351)	(3,009)
Dividends paid	(9,619)	(6,413)	(6,413)
<b>Net cash (used in) financing activities</b>	(83,956)	(93,481)	(18,067)
<b>Net movement in cash and cash equivalents</b>	(89,315)	(224,945)	(128,517)
<b>Cash and cash equivalents at beginning of period</b>	345,152	473,669	473,669
<b>Cash and cash equivalents at end of period</b>	255,837	248,724	345,152

**RECONCILIATION OF HEADLINE AND DISTRIBUTABLE EARNINGS**

Figures in N\$'000	Note	Unaudited		Audited
		Six months ended 30 Sept 21	Six months ended 30 Sept 20	Year ended 31 Mar 21
Profit for the period, net of taxation		5,946	2,118	18,148
Loss/(profit) on disposal of plant and equipment		40	(25)	10
Impairment of assets, net of taxation		2,867	-	-
<b>Headline earnings</b>	9	<b>8,853</b>	<b>2,093</b>	<b>18,158</b>
Headline earnings per share (cents)		16,88	3.99	34.61
Headline earnings per share before treasury share adjustment (cents)		16.57	3.92	33.98

**CONDENSED SEGMENT ANALYSIS**

Figures in N\$ '000	Note	Unaudited			Audited
		Six months ended 30 Sept 21	Six months ended 30 Sept 20	Change %	Year ended 31 Mar 21
<b>Segment assets</b>					
Retail		302,914	245,808	23	298,856
Property		390,710	393,041	(1)	393,080
Insurance and finance		1,604,993	1,470,673	9	1,554,030
		2,298,617	2,109,522	9	2,245,966
Head office and eliminations		(471,736)	(414,120)	14	(390,455)
	6	<b>1,826,881</b>	<b>1,695,402</b>	<b>8</b>	<b>1,855,511</b>
<b>Segment revenue</b>					
Retail		296,751	243,789	22	578,289
Property		10,410	11,047	(6)	21,604
Insurance and finance		44,390	49,042	(9)	111,381
		351,551	303,878	16	711,274
Head office and eliminations		(26,498)	(18,348)	44	(54,627)
	6	<b>325,053</b>	<b>285,530</b>	<b>14</b>	<b>656,647</b>
<b>Operating profit/(loss) after taxation</b>					
Retail		5,266	158	3,233	10,003
Property		(937)	2,110	(144)	4,091
Insurance and finance		12,424	10,106	23	26,924
		16,753	12,374	35	41,018
Head office and eliminations		(10,807)	(10,256)	5	(22,870)
	6	<b>5,946</b>	<b>2,118</b>	<b>181</b>	<b>18,148</b>

## 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 consolidated interim 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 2021.

### 4. REVENUE

Figures in N\$'000

	Unaudited		Audited
	Six months ended 30 Sept 21	Six months ended 30 Sept 20	Year ended 31 Mar 21
<b>Revenue from contracts with customers</b>			
Sales of goods and rendering of services	288,529	241,002	562,376
Rental income	920	666	1,382
Insurance premium income	10,605	20,536	42,311
Interest received	22,022	20,585	39,413
	<b>322,076</b>	<b>282,789</b>	<b>645,482</b>
<b>Revenue other than from contracts with customers</b>			
Re-insurance income	2,977	2,741	11,165
	<b>2,977</b>	<b>2,741</b>	<b>11,165</b>
	<b>325,053</b>	<b>285,530</b>	<b>656,647</b>

### 5. REVIEW OF OPERATIONS

#### Overview of first six months

Despite the continued challenges due to the impact of Covid-19, various actions taken by management to mitigate the potential impact posed by the pandemic resulted in positive results for the Group.

On 22 September 2021 a fire damaged a warehouse which is part of a building owned by one of the subsidiary companies in the Group. Although the building is covered under an insurance policy, the contingent asset has not been recognised as a receivable as the extent of the damage and amount of the compensation from the insurance company have not been determined. Investigation is still ongoing to determine the extent of the damage and management has

raised an impairment loss of N\$2,9 million for the period, while this process is being finalised.

The fire also destroyed inventories of one of the retail entities in the group. The inventories were severely damaged and written off in full. The loss was included in other expenses and the insurance compensation receivable was recognised as other income in the statement of profit and loss for the period.

## **6. SEGMENT RESULTS**

**Retail segment:** Revenue increased by 23% compared to the comparative six months of the previous financial year. As a result there was a significant improvement of profitability. The increase was partly due to the fact that April 2020 was impacted due to the first lockdown, but also due to a focus on marketing, new product ranges, imports and driving efficiencies throughout the segment.

**Property companies:** Revenues declined further for the first six months of the reporting period. The segment was however still able to show a profit for the first six months of trading, before the impairment of the building damaged by the fire. Vacant areas were also rented out during the period that will have a positive impact on the profitability of the segment.

**Insurance and finance:** Results for the segment have been in line with expectations. Profitability is increased due to investment income being slightly better than expected. New premiums increased compared to the prior year further contributing to better profitability.

## **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 2021. During the six months under review, the aggregated carrying values still approximated its fair value, except for the property damaged by the fire. 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 measured, at initial recognition, at fair value plus transactions costs, if any. They are subsequently measured at amortised costs. 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.

### **Borrowings, loans from related parties and trade payables**

Loans from related parties, interest bearing loans and borrowings as well as trade and other payables are classified as financial liabilities subsequently measured at amortised costs using the effective interest method. The fair values of these instrument approximates their carrying amounts.

**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

	Unaudited		
	30 September 2021		
<b>Financial assets</b>	Amortised cost	FVTPL	Total
Loans receivable	590,276	-	590,276
Investment at fair value	-	39,137	39,137
Trade and other receivables	241,296	-	241,296
Cash and cash equivalents	255,837	-	255,837
Re-insurance asset	-	181,487	181,487
	<b>1,060,409</b>	<b>220,624</b>	<b>1,281,033</b>

**Financial liabilities**

	Amortised cost	Total
Interest-bearing loans and borrowings	62,255	62,255
Trade and other payables	63,008	63,008
Finance lease liability	4,144	4,144
Insurance contract liability	1,475,810	1,475,810
	<b>1,605,217</b>	<b>1,605,217</b>

Figures in N\$'000

	Unaudited		
	30 September 2020		
<b>Financial assets</b>	Amortised cost	FVTPL	Total
Loans receivable	522,799	-	522,799
Investment at fair value	-	15,648	15,648
Trade and other receivables	171,645	-	171,645
Cash and cash equivalents	248,724	-	248,724
Re-insurance asset	-	188,385	188,385
	<b>943,168</b>	<b>204,033</b>	<b>1,147,201</b>

**Financial liabilities**

	Amortised cost	Total
Interest-bearing loan and borrowings	135,059	135,059
Trade and other payables	62,283	62,283
Finance lease liability	5,082	5,082
Insurance contract liability	1,432,732	1,432,732
	<b>1,635,156</b>	<b>1,635,156</b>

Figures in N\$ '000

	Audited		
	31 March 2021		
<b>Financial assets</b>	Amortised cost	FVTPL	Total
Loans receivable	556,300	-	556,300
Investment at fair value	-	26,461	26,461
Trade and other receivables	198,379	-	198,379
Cash and cash equivalents	345,152	-	345,152
Re-insurance asset	-	193,698	193,698
	<b>1,099,831</b>	<b>220,159</b>	<b>1,319,990</b>

	Amortised	
	cost	Total
Interest-bearing loans and borrowings	135,059	135,059
Trade and other payables	62,283	62,283
Finance lease liability	5,082	5,082
Insurance contract liability	1,432,732	1,432,732
	<b>1,635,156</b>	<b>1,635,156</b>

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

	Unaudited		
	30 September 2021		
Figures in N\$ '000	Fair value	Level 1	Level 2
Land	94,075	-	94,075
Buildings	230,492	-	230,492
Investment property	43,642	-	43,642
Listed shares	2,908	2,908	-
Debt securities	36,229	36,229	-
Loans and receivables	590,276	-	590,276
Re-insurance asset	181,487	-	181,487
	<b>1,179,109</b>	<b>39,137</b>	<b>1,139,972</b>

	Unaudited		
	30 September 2020		
Figures in N\$ '000	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
	<b>1,097,539</b>	<b>15,648</b>	<b>1,081,891</b>

	Audited		
	31 March 2021		
Figures in N\$ '000	Fair value	Level 1	Level 2
Land	94,075	-	94,075
Buildings	233,041	-	233,041
Investment property	43,642	-	43,642
Listed shares	2,658	2,658	-
Debt securities	23,803	23,803	-
Loans and receivables	556,300	-	556,300
Re-insurance asset	193,698	-	193,698
	<b>1,147,217</b>	<b>26,461</b>	<b>1,120,756</b>



## **9. HEADLINE EARNINGS**

For the six month period ended 30 September 2021 the only items that impacted the headline earnings calculation was the loss on disposal of plant and equipment and the impairment of assets by the fire during the period.

## **10. BASIC EARNINGS PER SHARE**

Earnings per share based on profit for the six months ended 30 September 2021 was 11,33 cents (30 September 2020: 4,04 cents), compared to a headline earnings per share of 16,88 cents (30 September 2020: 3,99 cents).

## **11. DIVIDENDS**

Ordinary dividends of 18 cents per share (N\$ 9,6 million) were declared on 15 June 2021 and paid by the Company on 26 July 2021. No interim dividend has been proposed by the Board of directors.

## **12. DIRECTORS**

It is with great sadness that Nictus' shareholders are informed of the passing of Mr NC Tromp, a non-executive director of the company, on Sunday, 27 June 2021. Words fail us in expressing our sincere gratitude and in paying tribute to such a wonderful person and an exemplary and visionary mentor for so many. Mr Tromp will be sorely missed and we will build on his legacy of greatness and excellence - an integral part of the Nictus culture.

The following directors were re-elected at the Annual General Meeting on 25 August 2021 - TB Horn and WO Fourie. TB Horn and GR de V Tromp were re-elected as members of the Audit and Risk Committee. TB Horn was appointed as Chairperson of the Audit and Risk Committee with effect from 25 August 2021. SW Walters was appointed as independent non-executive director, member of the Audit and Risk Committee and Remuneration and Nomination Committee respectively, with effect from 1 August 2021. FR van Staden resigned and G Swart retired as directors of the Board on 1 September 2021. TB Horn was appointed as lead independent director on 1 September 2021.

## **13. CHANGE OF YEAR END**

The board of directors has approved that Nictus Holdings Limited and its subsidiaries change their year ends from 31 March to 30 June. The period ending 30 June 2022 will be the first reporting period that will be affected by this decision. This will result in a 15 month reporting period from 1 April 2021 to 30 June 2022.

## **14. 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 period.

On behalf of the Board:

PJ de W Tromp  
TB Horn

Windhoek, 8 December 2021

**Sponsor on the NSX**

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

