

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 31 DECEMBER 2022**

<b>CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME</b>					
Figures in N\$'000	Note	Unaudited			Audited
		Six months ended 31 Dec 22	Six months ended 31 Dec 21	Variance %	Fifteen months ended 30 Jun 22
Revenue	9	490,133	368,584	33	920,865
Cost of sales		(358,077)	(265,217)	(35)	(649,015)
<b>Gross profit</b>		132,056	103,367	28	271,850
Other operating income		6,903	9,751	(29)	25,446
Other operating losses		(34)	(113)	70	(9,674)
Investment income from operations		14,080	9,414	50	24,919
Operating and administrative expenses		(129,782)	(103,792)	(25)	(256,994)
<b>Operating profit</b>		23,223	18,627	25	55,547
Investment income		1,120	1,071	5	2,657
Finance costs		(2,660)	(2,243)	(19)	(6,778)
<b>Profit before taxation</b>		21,683	17,455	24	51,426
Taxation		(7,173)	(6,121)	(17)	(8,592)
<b>Profit for the period</b>		14,510	11,334	28	42,834
Other comprehensive income:					
Revaluation and impairment of land and buildings		-	(96)	-	(12,196)
<b>Other comprehensive income for the period net of taxation</b>		-	(96)	-	(12,196)
<b>Total comprehensive income for the period</b>		14,510	11,238	29	30,638
<b>Total comprehensive income attributable to:</b>					
Owners of the parent		14,510	11,238	29	30,638
<b>Earnings per share</b>					
Basic and diluted earnings per share (cents)	4	27,15	21,60	26	81,65
Basic and diluted earnings per share before treasury shares adjustment (cents)		27,15	21,21	28	80,15
Headline earnings per share (cents)		27,22	27,29	-	81,99
Headline earnings per share before treasury shares adjustment (cents)		27,22	26,78	2	80,48
Dividends per share (cents) * **		26,00	18,00		26,00
Net asset value per share (cents)		376,92	346,04		375,47
Number of shares in issue (000's)		53,444	53,444		53,444
Number of treasury shares held in Group (000's)		-	983		983

\* Dividends paid October 2022 of 26 cents per share

\*\* Dividends paid July 2021 of 18 cents per share

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

Figures in N\$'000	Unaudited		Audited
	31 Dec 22	31 Dec 21	30 Jun 22
<b>ASSETS</b>			
<b>Non-current assets</b>	1,105,818	986,287	1,056,901
Property, plant and equipment	339,175	342,139	330,802
Right of use assets	4,915	4,268	5,206
Investment property	43,482	43,642	43,482
Intangible assets	2,842	3,749	3,379
Trade and other receivables	51,816	38,242	45,145
Investments at fair value	65,539	53,107	63,692
Loans and receivables	588,551	491,178	552,845
Deferred tax	9,498	9,962	12,350
<b>Current assets</b>	1,099,430	874,611	1,040,347
Inventories	149,545	122,392	129,079
Loans and receivables	158,885	104,657	138,159
Trade and other receivables	237,219	205,235	262,840
Investments at fair value	10,640	2,993	12,163
Reinsurance asset	216,704	185,491	202,885
Cash and cash equivalents	326,437	253,843	295,221
<b>Total assets</b>	<b>2,205,248</b>	<b>1,860,898</b>	<b>2,097,248</b>
<b>EQUITY</b>			
	201,443	184,936	200,663
Stated capital	129	129	129
Revaluation reserve	46,652	58,752	46,652
Contingency reserve	20,551	15,551	20,551
Retained income	134,111	110,504	133,331
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>	74,530	67,604	71,791
Interest bearing loans and borrowings	18,632	18,196	19,611
Lease liabilities	2,400	1,885	3,003
Deferred tax	53,498	47,523	49,177
<b>Current liabilities</b>	1,929,275	1,608,358	1,824,794
Trade and other payables	111,243	70,596	108,802
Interest bearing loans and borrowings	46,232	30,071	28,586
Lease liabilities	2,843	2,588	2,434
Provisions	30	41	20
Insurance contract liability	1,768,927	1,505,062	1,684,952
<b>Total liabilities</b>	<b>2,003,805</b>	<b>1,675,962</b>	<b>1,896,585</b>
<b>Total equity and liabilities</b>	<b>2,205,248</b>	<b>1,860,898</b>	<b>2,097,248</b>

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**

Figures in N\$'000	Stated capital	Revaluation reserve	Contingency reserve	Retained income	Total equity
<b>Unaudited balance at 1 July 2021</b>	129	58,848	15,551	108,615	183,143
Total comprehensive income	-	(96)	-	11,334	11,238
Profit for the period	-	-	-	11,334	11,334
Other comprehensive income	-	(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>Unaudited balance at 31 December 2021</b>	129	58,752	15,551	110,504	184,936
Total comprehensive income	-	-	-	27,827	15,727
Profit for the period	-	-	-	27,827	27,827
Other comprehensive income	-	(12,100)	-	-	(12,100)
Contributions by and to the owners of the Group	-	-	5,000	(5,000)	-
Transfer to contingency reserve	-	-	5,000	(5,000)	-
<b>Audited balance at 30 June 2022</b>	129	46,652	20,551	133,331	200,663
Total comprehensive income	-	-	-	14,510	14,510
Profit for the period	-	-	-	14,510	14,510
Other comprehensive income	-	-	-	-	-
Contributions by and to the owners of the Group	-	-	-	(13,730)	(13,730)
Dividends paid	-	-	-	(13,895)	(13,895)
Prescribed dividends	-	-	-	165	165
<b>Unaudited balance at 31 December 2022</b>	129	46,652	20,551	134,111	201,443

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**

Figures in N\$'000	Unaudited		Audited
	Six months ended 31 Dec 22	Six months ended 31 Dec 21	Fifteen months ended 30 Jun 22
Cash generated from operations	52,995	70,948	110,197
Investment income	1,120	1,071	2,657
Finance costs	(2,660)	(2,243)	(6,315)
<b>Net cash from operating activities</b>	51,455	69,776	106,539
<b>Net cash from investing activities</b>	(21,770)	(21,781)	(56,340)
Proceeds from / (repayment) of borrowings	16,667	(99,478)	(86,862)
Payment on lease liabilities	(1,241)	(1,091)	(3,649)
Dividends paid	(13,895)	(9,619)	(9,619)
<b>Net cash from financing activities</b>	1,531	(110,188)	(100,130)
<b>Net movement in cash and cash equivalents</b>	31,216	(62,193)	(49,931)
<b>Cash and cash equivalents at beginning of period</b>	295,221	316,036	345,152
<b>Cash and cash equivalents at end of period</b>	326,437	253,843	295,221

## NOTES TO THE FINANCIAL INFORMATION

### 1. STATEMENT OF COMPLIANCE

The condensed consolidated unaudited interim results for the period ended 31 December 2022 have been prepared in accordance with the framework concepts and the measurement and recognition requirements of International Financial Reporting Standards ("IFRS"), and also, as a minimum, contain the information required by IAS 34 Interim Financial Reporting and the Companies Act of Namibia.

These condensed consolidated interim financial results have not been reviewed or audited by the independent external auditors.

### 2. ACCOUNTING POLICIES

The accounting policies applied are materially consistent with those of the consolidated annual financial statements for the period ended 30 June 2022.

The condensed consolidated unaudited 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.

### 3. SEGMENTAL INFORMATION

**Retail segment:** Revenue increased by 31% from the comparative period. Gross profits in the segment were however under pressure during the six months ending 31 December 2022. The impact of inflation on costs and higher interest rates negatively impacted on profitability, resulting in a 19% decrease in profit from the comparative period. Costs were further incurred to support the growing of underlying business within the segment resulting in the segment not performing as well as the comparative period.

**Property companies:** The segment had a growth in revenue of 9% and improved profitability compared to the previous comparative period. Higher interest rates and costs did however impact the profitability during the current six months. The property that was destroyed by fire in September 2021 have been completely rebuild and leased out again from December 2022.

**Insurance and finance:** The segment had a growth in revenue by 27% and profitability increased by 20%. An increase in premium income and higher interest rates contributed to the improved profitability within the segment.

CONDENSED SEGMENT ANALYSIS			
	Unaudited		Audited
	Six months ended	Six months ended	Fifteen months ended
Figures in N\$ '000	31 Dec 22	31 Dec 21	30 Jun 22
<b>Segment revenue</b>			
Retail	442,563	338,283	822,615
Properties	12,893	11,801	28,275
Insurance and finance	64,691	41,754	133,869
Head office	25,937	20,416	56,639
	546,084	412,254	1,041,398
Eliminations	(55,951)	(43,670)	(120,533)
	490,133	368,584	920,865

**Segment results**

Retail	8,319	10,263	14,227
Properties	781	(63)	(9,095)
Insurance and finance	14,379	11,960	34,098
Head office	4,440	(505)	143
	<u>27,919</u>	<u>21,655</u>	<u>39,373</u>
Eliminations	(13,409)	(10,321)	3,461
Operating profit after taxation	<u>14,510</u>	<u>11,334</u>	<u>42,834</u>

**Segment assets**

Retail	359,931	303,532	327,206
Properties	393,707	390,677	380,017
Insurance and finance	2,031,799	1,634,054	1,886,636
Head office	258,280	279,289	265,550
	<u>3,043,717</u>	<u>2,607,552</u>	<u>2,859,409</u>
Eliminations	(838,469)	(746,654)	(762,161)
Total segment assets	<u>2,205,248</u>	<u>1,860,898</u>	<u>2,097,248</u>

**4. SHARE INFORMATION**

	Unaudited		Audited
	Six months ended 31 Dec 22	Six months ended 31 Dec 21	Fifteen months ended 30 Jun 22
Number of shares in issue (000's)	53,444	53,444	53,444
Number of treasury shares held in Group (000's)	-	983	983
Weighted average number of ordinary shares in issue (000's)	53,444	52,461	52,461
Basic and diluted earnings per share (cents)	27,15	21,60	81,65
Basic and diluted earnings per share before treasury share adjustment (cents)	27,15	21,21	80,15
Headline earnings per share (cents)	27,22	27,29	81,99
Headline earnings per share before treasury share adjustment (cents)	27,22	26,78	80,48
<b>Basic earnings per share</b>			
<b>Reconciliation of earnings</b>			
Profit for the period	<u>14,510</u>	<u>11,334</u>	<u>42,834</u>
<b>Headline earnings per share</b>			
<b>Reconciliation of headline earnings</b>			
Profit for the period	14,510	11,334	42,834
Loss on disposal of plant and equipment	40	113	52
Revaluation and impairment of asset, net of taxation	-	7,194	9,979
Insurance proceeds, net of taxation	-	(4,327)	(9,852)
<b>Headline earnings</b>	<u>14,550</u>	<u>14,314</u>	<u>43,013</u>

**5. DIVIDENDS**

Ordinary dividends of 26 cents per share (N\$13,9 million) were declared and paid by the Company on 31 October 2022. No interim dividend has been proposed by the board of directors.

**6. DIRECTORS**

The following directors were re-elected at the Annual General Meeting on 2 December 2022 - PJ de W Tromp and GR de V Tromp. SW Walters was elected as director and member of the Audit and Risk Committee. TB Horn was re-elected as chairperson and member of the Audit and Risk Committee. GR de V Tromp was re-elected as member of the Audit and Risk Committee.

## **7. 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.

## **8. FAIR VALUE INFORMATION OF FINANCIAL INSTRUMENTS**

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

### **Investment properties and land and buildings**

The board of directors assessed the values of the land and buildings at 31 December 2022 and no fair value adjustments have been proposed. The fair values are based on valuations and other market information that take into consideration the estimated rental value (40%) and replacement value (60%) of the property. A market yield between 10.5% and 11.5% (2022: between 9% and 10%) is applied to the estimated rental value to arrive at the gross property valuation. Investment properties and land and buildings are classified as level 2 in terms of the fair value hierarchy.

### **Investment in equity and debt instruments**

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).

## Levels of fair value measurement

Figures in N\$ '000	Unaudited		Audited
	Six months ended 31 Dec 22	Six months ended 31 Dec 21	Fifteen months ended 30 Jun 22
<b>Level 1</b>			
<b>Financial assets</b>			
Listed shares	10,917	3,254	12,434
Debt securities	65,262	52,846	63,421
	<u>76,179</u>	<u>56,100</u>	<u>75,855</u>

## Level 2

### Financial assets

Land	85,629	94,075	85,629
Buildings	232,213	230,515	223,963
Investment property	43,482	43,642	43,482
Loans and receivables	747,436	595,835	691,004
Reinsurance asset	216,704	185,491	202,885
	<u>1,325,464</u>	<u>1,149,558</u>	<u>1,246,963</u>

## Categories of financial instruments

Figures in N\$ '000	Unaudited 31 Dec 2022		
	Amortised cost	FVTPL	Total
<b>Financial assets</b>			
Trade and other receivables	260,924	-	260,924
Investments	65,262	10,917	76,179
Loans and receivables	747,436	-	747,436
Reinsurance asset	-	216,704	216,704
Cash and cash equivalents	326,437	-	326,437
	<u>1,400,059</u>	<u>227,621</u>	<u>1,627,680</u>

### Financial liabilities

	Amortised cost	Total
Interest bearing loans and borrowings	64,864	64,864
Lease liabilities	5,243	5,243
Trade and other payables	109,608	109,608
Insurance contract liability	1,768,927	1,768,927
	<u>1,948,642</u>	<u>1,948,642</u>

Figures in N\$'000	Unaudited 31 Dec 2021		
	Amortised cost	FVTPL	Total
<b>Financial assets</b>			
Trade and other receivables	227,482	-	227,482
Investments	52,846	3,254	56,100
Loans and receivables	595,835	-	595,835
Reinsurance asset	-	185,491	185,491
Cash and cash equivalents	253,843	-	253,843
	<u>1,130,006</u>	<u>188,745</u>	<u>1,318,751</u>

### Financial liabilities

	Amortised cost	Total
Interest bearing loans and borrowings	48,267	48,267
Lease liabilities	4,473	4,473
Trade and other payables	70,207	70,207
Insurance contract liability	1,505,062	1,505,062
	<u>1,628,009</u>	<u>1,628,009</u>

Figures in N\$ '000

	Audited 30 Jun 2022		
	Amortised cost	FVTPL	Total
<b>Financial assets</b>			
Trade and other receivables	275,062	-	275,062
Investments	63,421	12,434	75,855
Loans and receivables	691,004	-	691,004
Reinsurance asset	-	202,885	202,885
Cash and cash equivalents	295,221	-	295,221
	<u>1,324,708</u>	<u>215,319</u>	<u>1,540,027</u>
<b>Financial liabilities</b>			
	Amortised cost		Total
Interest bearing loans and borrowings	48,197		48,197
Lease liabilities	5,437		5,437
Trade and other payables	105,735		105,735
Insurance contract liability	1,684,952		1,684,952
	<u>1,844,321</u>		<u>1,844,321</u>

## 9. REVENUE

Figures in N\$'000

	Unaudited		Audited
	Six months ended 31 Dec 22	Six months ended 31 Dec 21	Fifteen months ended 30 Jun 22
	<b>Revenue from contracts with customers</b>		
Sales of goods and rendering of services	437,580	335,189	809,102
Rental income	2,277	410	2,776
Insurance premium income	13,346	9,334	38,004
Interest received	36,366	21,509	58,133
	<u>489,569</u>	<u>366,442</u>	<u>908,015</u>
<b>Revenue other than from contracts with customers</b>			
Reinsurance income	564	2,142	12,850
	<u>490,133</u>	<u>368,584</u>	<u>920,865</u>

## 10. LEGAL MATTERS

A subsidiary company has a pending legal case regarding reinsurance. No adjustment is required. The directors cannot disclose further information on the basis that they believe that this would be prejudicial to the subsidiary's position in the case.

## 11. EVENT AFTER INTERIM PERIOD

The directors are not aware of any material events which affected the presentation of the consolidated unaudited group results which occurred after the reporting date and up to the date of this report.

## 12. PROSPECTS

This is the first time the interim results are reported for the six months ending 31 December. Performance of the Group in the first six months was in line with expectations considering the increased interest rates and high inflationary business environment. The Group is well positioned within the current economic environment to optimise profitability due to our import strategies of stock in the retail segment as well as the better return on investments. Costs will however be higher than initially expected.

Praise to our Heavenly Father for giving us the insight and strength during the period to achieve these exceptional results.



On behalf of the Board:

PJ de W Tromp  
TB Horn

Windhoek, 30 March 2023

**Sponsor on the NSX**

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

