

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 2018 AND DETAILS OF THE NOTICE OF ANNUAL GENERAL MEETING

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

Figures in N\$'000	2018	2017
Assets		
Non-current assets	929 542	781 940
Property, plant and equipment	340 220	350 886
Investment property	43 350	25 275
Intangible assets	2 187	850
Investments	533 873	399 492
Deferred tax assets	9 894	5 437
Current assets	803 834	869 419
Total assets	1 733 358	1 651 359
Equity and liabilities		
Equity	166 044	165 345
Stated capital	129	129
Total non-distributable reserves	74 399	74 318
Retained income	91 516	90 898
Liabilities	1 567 314	1 486 014
Non-current liabilities	152 430	159 973
Interest-bearing loans and borrowings	121 966	128 002
Deferred tax liabilities	30 464	31 971
Current liabilities*	1 414 884	1 326 041
Insurance contract liability	1 276 311	1 161 508
Other current liabilities	138 573	164 533
Total equity and liabilities	1 733 358	1 651 359

* 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	2018	2017
Revenue	831 921	972 001
Cost of sales	(621 141)	(745 746)
Gross profit	210 780	226 255
Other income	19 123	18 706
Fair value adjustment	(1 933)	-
Operating and admin expenses	(240 251)	(246 160)
Investment income from operations	29 058	32 884
Operating profit	16 777	31 685
Investment income	2 538	6 471
Finance costs	(20 268)	(16 370)
Profit / (loss) before taxation	(953)	21 786
Taxation	6 551	(2 283)
Profit for the year	5 598	19 503
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	19 503
Total comprehensive income attributable to:		
Owners of the parent	6 841	19 503
<i>Earnings per share</i>		
Basic earnings per share (cents)	10,47	36,49
Diluted earnings per share (cents)	10,47	36,49
Weighted average number of shares in issue (000's)	53 443	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 2016	129	58 767	15 551	81 015	155 462
<i>Total comprehensive income for the year</i>	-	-	-	19 503	19 503
Profit for the year	-	-	-	19 503	19 503
Dividends paid to ordinary shareholders	-	-	-	(9 620)	(9 620)
Total contributions by and distributions to owners of the company recognised directly in equity	-	-	-	(9 620)	(9 620)
Balance at 1 April 2017	129	58 767	15 551	90 898	165 345
<i>Total comprehensive income for the year</i>	-	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 31 March 2018	129	58 848	15 551	91 516	166 044

CONDENSED CONSOLIDATED STATEMENT OF CASHFLOW

Figures in N\$'000	2018	2017
Cash flow from operating activities		
Cash generated from operations	258 148	109 064
Investment income from operations	2 538	6 471
Finance costs	(20 268)	(16 370)
Net cash from operating activities	240 418	99 165
Net cash from investing activities	(157 016)	(238 455)
Net cash from financing activities	(26 177)	10 281
Net movement in cash and cash equivalents	57 225	(129 009)
Cash and cash equivalents at beginning of year	336 990	465 999
Cash and cash equivalents at the end of year	394 215	336 990

CONDENSED CONSOLIDATED SEGMENTAL ANALYSIS

Figures in N\$'000	2018	2017
Segment revenue		
Retail	749 943	893 883
Property companies	27 434	23 718
Insurance and finance	99 280	97 330
	876 657	1 014 931
Head office and eliminations	(44 736)	(42 930)
Total revenue for the year	831 921	972 001
Analysis of revenue by product / service		
Sale of goods	735 477	881 217
Rental income	1 524	447
Finance income	62 211	55 166
Insurance premium income	32 709	35 171
Total revenue	831 921	972 001
Net profit / (loss) after taxation		
Retail	(12 213)	(10 304)
Property companies	(4 778)	915
Insurance and finance	25 322	24 811
	8 331	15 422
Head office and eliminations	(2 733)	4 081
Total profit for the year	5 598	19 503
Segment assets		
Retail	305 746	340 762
Property companies	386 807	365 034
Insurance and finance	1 385 959	1 270 148
	2 078 512	1 975 944
Head office and eliminations	(345 154)	(324 585)
Total as per statement of financial position	1 733 358	1 651 359

Figures in N\$'000	2018	2017
Segment liabilities		
Retail	267 436	235 240
Property companies	333 250	299 486
Insurance and finance	1 344 428	1 219 081
	1 945 114	1 753 807
Head office and eliminations	(377 800)	(267 793)
Total as per statement of financial position	1 567 314	1 486 014

RECONCILIATION BETWEEN EARNINGS AND HEADLINE EARNINGS

Figures in N\$'000	2018	2017
Weighted average number of shares in issue for basic, diluted and headline earnings per share ('000)	53 443	53 443
Profit for the year, net of taxation	5 598	19 503
Profit on disposal of plant and equipment	(276)	(3 482)
Fair value adjustment on investment property	1 933	-
Headline earnings	7 255	16 021
Headline earnings per share (cents)	13,57	29,98
Diluted headline earnings per share (cents)	13,57	29,98

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL INFORMATION

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 accounting policies are consistent with those applied in the consolidated financial statements for the year ended 31 March 2017, other than the new standards and interpretations adopted, summarised below:

- Amendment to IAS 7: Disclosure initiative
- Amendments to IAS 12: Recognition of Deferred Tax Assets

The impact of these adopted standards and interpretations have not led to any change in the Group's accounting policies which are relevant to its operations.

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 2017. Refer to the 2018 audited annual financial statements for further information.

3. DIVIDENDS

Ordinary dividends of 12 cents per share (N\$ 6,4 million) was declared and paid by the Company on 17 July 2017.

Final dividend of 12 cents per share (N\$ 6,4 million) was approved by the Board on 7 June 2018, in respect of the year ended 31 March 2018. The dividend will be declared out of retained earnings on 28 June 2018. The dividend has not been provided for and there are no accounting implications for the current financial year.

12 cents per share	N\$ 6,4 million
Last date to trade ordinary shares "cum" dividend	Friday 13 July 2018
Ordinary shares trade "ex" dividend	Monday 16 July 2018
Record date	Friday 20 July 2018
Payment/issue date	Monday 23 July 2018

Share certificates may not be dematerialised between Monday 16 July and Friday 20 July 2018 both days inclusive.

4. RESPONSIBILITY FOR CONSOLIDATED ANNUAL FINANCIAL STATEMENTS

Accounting policies have been applied consistently with those of the prior year. The annual consolidated financial statements for the year ended 31 March 2018 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 2018.

6. EVENTS AFTER THE REPORTING PERIOD

There were not events after the reporting period other than the declaration of the dividend and the resignation of JJ Retief as director with effect from 1 June 2018, which affected the presentation of the annual financial statements for the year ended 31 March 2018.

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)
- JJ Retief (Executive Director) (resigned 1 June 2018)
- WO Fourie (Executive Director)
- JD Mandy (Independent Non-executive Director)

CHAIRMAN'S REPORT

The 2018 financial year was earmarked by a virtual stagnation in the economy mainly due to the moratorium on government spending. Many a project came to a complete standstill as there was almost no cash flow. The influence of this could be felt throughout the economy. The retail spending in the Namibian market consequently declined significantly. Other stalling factors were the negative perceptions about NEEEF as well as reduced spending on residential properties due to more stringent lending regulations. The whole debacle around the Steinhoff saga also impacted on the markets of the entire region.

The Nictus Group of Companies also did not escape these declining conditions unscathed.

SEGMENTS

The segment which performed best again was the insurance and finance segment. It was the major positive contributor to the overall profit of the Group. Although this industry also suffered due to the waning economy we are optimistic that the insurance segment will continue to be a major profit contributor to the Group's results.

In the retail segment we saw declines on all fronts. The motor industry's sales continued to decrease further and as predicted in last year's report, the full brunt of the consequence of the withdrawal of General Motors South Africa was experienced by us. We managed to stabilise the motor subsidiary with rigorous actions and are now well on the way to being profitable once more. The tyre subsidiary showed good results and contributed positively to the Group's results. The furniture subsidiary was hardest hit by the negative economic environment and the downward spiral of disposable income of consumers. However, with our growth strategy in the furniture subsidiary, we anticipate positive results for the future.

The property segment also suffers from the same fate of diminishing revenue as the other segments, mainly because the majority of our properties are occupied by Group companies, but we do have strategies in place to reduce this impact on our Group results.

ECONOMIC OUTLOOK

I anticipate that the economy will still be in dire straits for some time to come, but with a moderate recovery projected for the next two to three years. We will work hard to establish profitability in all our segments and I foresee that these strategies will gradually show profits again - despite the difficult circumstances under which we are operating at present.

I would like to thank all involved in the Group for their loyalty, dedication and support. 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

Dear Stakeholders,

During the 2018 financial year the Nictus Holdings Group had its own unique challenges that had to be converted into opportunities.

We, as a Group were not excluded from the effect of the economic meltdown that was felt in all of the sectors of the economy we are dealing in. The secret to survival is to be able to adapt and this was no easy task. The current economic situation in the country is, in my opinion, the "new normal" and the sooner we adapt and enforce change, the sooner we will see the situation improving. Although it was with much effort, we are thankful that we could maintain profitability within the current circumstances.

RETAIL SEGMENT

The retail segment was hardest hit and we had to make some major adjustments and realignments to ensure sustainability.

Driving our long-term growth strategy in Nictus furnishers still remains a priority, more so in the current circumstances. Attaining our ideal market share was systematically accomplished. A strategy which we will continue to employ in the coming years, with a major focus on economies of scale, will enable us to maintain our current structure and footprint.

We achieved a major turnaround in Trentyre compared to the previous financial year. Aligning our structure and optimizing our resources were some of the main contributors. The renewed focus on the core business of selling tyres, was attained and the management team put in a gigantic effort to effect this turnaround in such a short period.

The motor subsidiary, Auas Motors, subsequent to the withdrawal of General Motors (GM) during the current financial year could only absorb the full impact toward the last quarter of the financial year. The impact was significant, along with new imposed regulations that were enforced on the motor industry. We imposed drastic structural changes and realignments. However, this compelled us to revisit our strategy in the Namibian motor industry and we repositioned ourselves with a new set of objectives. We are confident that our current brands, Isuzu and Opel, are the partners which will be a force to be reckoned with. With Opel vehicles being assembled in Walvis Bay during the second half of the year, we are optimistic that this will indeed bring a new dimension to Auas Motors and will play a major role in propelling us to a new level of excellence.

INSRUANCE AND FINANCE SEGMENT

Hakos Capital and Finance's performance was aligned with those of Auas Motors because of our strategy within the company. With vehicle sales reaching the levels of 2010/2011, this had an impact on the performance. With the extended period allowed for financing, we anticipated the long-term effect of the economic downturn and reacted in advance, and the real results will only be seen in about 18 months' time. Arrears are also seen to be increasing and this trend will be closely monitored and managed.

The insurance company performed above expectations compared to the retail segment. Share investments were very volatile and margins came under pressure due to various factors. This however, restated the relevance of our insurance products, especially with the economic meltdown, and we are satisfied with the results achieved under the current circumstances.

PROPERTY SEGMENT

The property companies performed on par during the year under review. With an imminent increased vacancy factor in the coming year, we will continue to optimize and reconstruct our premises and grow our portfolio within our set of guidelines.

EXPECTATIONS

I am confident that the necessary re-alignment put in place throughout the Group will enable us to grow our profitability. Our strategies are in line with being an "Exceptional Wealth Creator" and will drive towards sustainable profitability in the coming year. I believe that we are at the bottom of the current cycle and that the Group has achieved a major turnaround. The cash flow and profit forecasts look favourable and with reserves collected during the prosperous years, we decided to maintain the dividend of the previous year of 12 cents to show our commitment and confidence in our products and services while developing a sustainable dividend policy for the future. There are expected changes in regulatory requirements that could impact the Group in the coming year.

All grace, glory and praise to our Heavenly Father that guided and braced us during this period. We remain dependent on 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 2018 ("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 2018 ("the AGM"). The AGM will be held in the ground floor boardroom, Nictus Building, 140 Mandume Ndemufayo Avenue, Windhoek on Thursday 30 August 2018 at 16h00 (Namibian Time).

The Notice of the Annual General Meeting and Annual Financial Statements are to be distributed to shareholders on Friday, 29 June 2018. The annual report is available on the website www.nictusholdings.com

Accordingly, the last day to trade in order to be eligible to participate and vote will be Monday, 27 August 2018.

On behalf of the Board

PJ De W Tromp
JD Mandy
Windhoek, 28 June 2018

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

