

Nictus Holdings Limited
(Incorporated in the Republic of Namibia)
(Registration number 1962/1735)

Share Code: NHL

ISIN Code: NA000A1J2SS6

REVIEWED CONSOLIDATED GROUP FINANCIAL RESULTS FOR THE PERIOD ENDED 31 MARCH 2022

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME				
Figures in N\$'000	Note	Reviewed Period ended 31 Mar 22	Audited Year ended 31 Mar 21	Change %
Revenue		666,595	617,234	8
Effective interest income		45,084	39,413	14
Total revenue	5	711,679	656,647	8
Cost of sales		(483,920)	(446,321)	8
Claims incurred	7	(9,375)	(28,938)	(68)
Gross profit		218,384	181,388	20
Other income	6	21,600	7,866	175
Other operating (losses)/gains	6	(9,617)	(40)	23,943
Investment income from operations		19,631	16,732	17
Operating and administrative expenses		(200,902)	(175,957)	14
Operating profit		49,096	29,989	64
Investment income		2,141	2,495	(14)
Operating profit before financing costs		51,237	32,484	58
Financing costs		(5,801)	(4,864)	19
Profit before taxation		45,436	27,620	65
Taxation		(9,493)	(9,472)	0
Profit for the period		35,943	18,148	98
Other comprehensive income				
Revaluation and impairment of property		(12,196)	-	100
Other comprehensive income for the period	7	(12,196)	-	100
Total comprehensive income for the period		23,747	18,148	31
Total comprehensive income attributable to:				
Owners of the parent		23,747	18,148	31
Earnings per share				
Basic and diluted earnings per share (cents)	11	68,51	34,59	98
Basic and diluted earnings per share before treasury shares adjustment (cents)		67,25	33,96	98
Headline earnings per share (cents)		72,17	34.61	109
Headline earnings per share before treasury shares adjustment (cents)		70,84	33.98	109
Dividends per share (cents) * **		18,00	12,00	
Net asset value per share (cents)		362.57	335,81	
Number of shares in issue (000's)		53,444	53,444	
Number of Treasury shares held in Group (000's)		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

Figures in N\$'000	Reviewed 31 Mar 22	Audited 31 Mar 21
ASSETS		
Non-current assets	1,005,500	829,262
Property, plant and equipment	327,682	343,819
Right of use assets	4,626	4,810
Investment property	43,482	43,642
Intangible assets	3,456	4,707
Trade and other receivables	41,560	31,652
Investments at fair value	62,755	24,048
Loans and receivables	510,796	365,891
Deferred tax	11,143	10,693
Current assets	1,045,052	1,026,249
Total assets	<u>2,050,552</u>	<u>1,855,511</u>
EQUITY		
Stated capital	129	129
Revaluation reserve	46,652	58,848
Contingency reserve	15,551	15,551
Retained earnings	131,440	104,942
LIABILITIES		
Non-current liabilities	70,489	142,356
Interest bearing loans and borrowings	19,604	100,298
Finance lease liabilities	2,786	2,588
Deferred tax	48,099	39,470
Current liabilities	1,786,291	1,533,685
Insurance contract liability	1,670,218	1,432,732
Other current liabilities	116,073	100,953
Total liabilities	<u>1,856,780</u>	<u>1,676,041</u>
Total equity and liabilities	<u>2,050,552</u>	<u>1,855,511</u>

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 2020	129	58,848	15,551	93,031	167,559
Total comprehensive income	-	-	-	18,148	18,148
Profit for the year	-	-	-	18,148	18,148
Contributions by and to the owners of the Group	-	-	-	(6,237)	(6,237)
Dividends paid	-	-	-	(6,413)	(6,413)
Prescribed dividends	-	-	-	176	176
Balance at 1 April 2021	129	58,848	15,551	104,942	179,470
Total comprehensive income	-	(12,196)	-	35,943	23,747
Profit for the period	-	-	-	35,943	35,943
Impairment of assets	-	(12,196)	-	-	(12,196)
Contributions by and to the owners of the Group	-	-	-	(9,445)	(9,445)
Dividends paid	-	-	-	(9,619)	(9,619)
Prescribed dividends	-	-	-	174	174
Balance at 31 March 2022	129	46,652	15,551	131,440	193,772

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW

	Reviewed Period ended	Audited Year ended
Figures in N\$'000	31 Mar 22	31 Mar 21
Cash generated from/(used in) operations	202,588	(89,201)
Interest income	2,141	2,495
Finance cost	(5,427)	(4,376)
Tax paid	-	(26)
Net cash generated from/(used in) operating activities	199,302	(91,108)
Net cash (used in)/generated from investing activities	(158,500)	(19,342)
Repayment of interest-bearing loans and borrowings	(85,173)	(8,645)
Payment on lease liabilities	(3,164)	(3,009)
Dividends paid	(9,619)	(6,413)
Net cash (used in) financing activities	(97,956)	(18,067)
Net movement in cash and cash equivalents	(57,154)	(128,517)
Cash and cash equivalents at beginning of period	345,152	473,669
Cash and cash equivalents at end of period	287,998	345,152

RECONCILIATION OF HEADLINE AND DISTRIBUTABLE EARNINGS

Figures in N\$ '000	Note	Reviewed Period ended 31 Mar 22	Audited Year ended 31 Mar 21
Profit for the period, net of taxation		35,943	18,148
(Profit)/loss on disposal of plant and equipment		(9)	10
Impairment of assets, net of taxation		11,838	-
Insurance proceeds, net of taxation		(9,911)	-
Headline earnings	10	37,861	18,158
Headline earnings per share (cents)		72.17	34.61
Headline earnings per share before treasury share adjustment (cents)		70.84	33.98

CONDENSED SEGMENT ANALYSIS

Figures in N\$ '000	Note	Reviewed Period ended 31 Mar 22	Audited Year ended 31 Mar 21	Change %
Segment assets				
Retail		308,397	298,856	3
Properties		375,753	393,080	(4)
Insurance and finance		1,831,724	1,554,030	18
		2,515,874	2,245,966	12
Head office and eliminations		(465,322)	(390,455)	19
	7	2,050,552	1,855,511	11
Segment revenue				
Retail		635,123	578,289	10
Properties		22,619	21,604	5
Insurance and finance		104,762	111,381	(6)
		762,504	711,274	7
Head office and eliminations		(50,825)	(54,627)	(7)
	7	711,679	656,647	8
Operating profit/(loss) after taxation				
Retail		13,919	10,003	39
Properties		(9,738)	4,091	(338)
Insurance and finance		31,105	26,924	16
		35,286	41,018	(14)
Head office and eliminations		657	(22,870)	(103)
	7	35,943	18,148	98

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.

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 have been reviewed by the independent external auditors.

2. 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.

3. 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).

4. 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, except for the acquisition of a subsidiary during the period under review (refer note 6).

5. REVENUE

Figures in N\$'000

	Reviewed	Audited	
	Period	Year	Change
	ended	ended	%
	31 Mar 22	31 Mar 21	
Revenue from contracts with customers			
Sales of goods and rendering of services	623,609	562,376	11
Rental income	1,882	1,382	36
Insurance premium income	28,443	42,311	(33)
Interest received	45,084	39,413	14
	699,018	645,482	8
Revenue other than from contracts with customers			
Re-insurance income	12,661	11,165	13
	12,661	11,165	13
	711,679	656,647	8

6. REVIEW OF OPERATIONS

Overview of the twelve months

The Group have achieved exceptional results compared to the prior year despite the challenges in the economy.

The building that was damaged on 22 September 2021 by a fire is in the process of being repaired and indications are that this process should be completed towards December 2022. Furniture operations will then be able to move back to this property. Management assessed the fair value of the building and an impairment loss of N\$8,2 million has been raised for the period and was included in other operating losses. The total insurance compensation receivable was recognised as other income in the statement of profit and loss for the period.

Nictus Holdings Limited acquired 100% of the issued share capital of Glasfit Namibia (Pty) Ltd. The company was dormant as at 31 March 2022. The main purpose of Glasfit Namibia (Pty) Ltd is for fitment of windscreen glass replacements to customers with the expectation that the company will become fully operational in the new financial year.

7. SEGMENT RESULTS

Retail: Revenue increased by 10% compared to the previous financial year. The focus on marketing, new product ranges, imports and driving efficiencies throughout the segment within the past 12 months have all been contributing factors of achieving this result.

Properties: Revenues increased during the reporting period due to vacant spaces rented to new tenants. The segment however made a loss for the year due to properties being revalued at 31 March 2022 by the directors. The decrease in the property carrying amounts was recognised in other comprehensive income to the extent of any credit balances existing in the revaluation surplus in respect of that property. Without the impairment adjustments, the segment would have reported a profit for the year.

Insurance and finance: Results for the segment have exceeded expectations for the year. Profitability increased due to investment income being better than expected as well as the increase in new premiums compared to the prior year. Claims decreased compared to the prior financial year, due to a decline in Covid-19 related losses. Over the past two financial periods the effectiveness of our insurance product could clearly be seen working for our clients during difficult financial and economic times.

8. 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 board of directors assessed the values of the land and buildings at 31 March 2022. 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 (9%-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 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).

9.1 Categories of financial instruments

Figures in N\$ '000

	Reviewed		
	31 March 2022		
Financial assets	Amortised cost	FVTPL	Total
Loans receivable	654,714	-	654,714
Investment at fair value	-	75,487	75,487
Trade and other receivables	321,083	-	321,083
Cash and cash equivalents	287,998	-	287,998
Re-insurance asset	-	198,372	198,372
	1,263,795	273,859	1,537,654
Financial liabilities		Amortised cost	Total
Interest-bearing loans and borrowings		49,886	49,886
Trade and other payables		82,927	82,927
Finance lease liability		4,841	4,841
Insurance contract liability		1,670,218	1,670,218
		1,807,872	1,807,872

Figures in N\$ '000

	Audited		
	31 March 2021		
Financial assets	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
	1,099,831	220,159	1,319,990

Financial liabilities

	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
	<u>1,635,156</u>	<u>1,635,156</u>

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

Figures in N\$ '000	Reviewed 31 March 2022		
	Fair value	Level 1	Level 2
Land	85,629	-	85,629
Buildings	219,886	-	219,886
Investment property	43,482	-	43,482
Listed shares	13,007	13,007	-
Debt securities	62,480	62,480	-
Loans and receivables	654,714	-	654,714
Re-insurance asset	198,372	-	198,372
	<u>1,277,570</u>	<u>75,487</u>	<u>1,202,083</u>

Figures in N\$ '000	Audited 31 March 2021		
	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
	<u>1,147,217</u>	<u>26,461</u>	<u>1,120,756</u>

10. HEADLINE EARNINGS

For the twelve month period ended 31 March 2022 the only items that impacted the headline earnings calculation was the loss on disposal of plant and equipment, revaluation of investment property and land and buildings, the impairment of assets due to the fire damage and related insurance income during the period.

11. BASIC EARNINGS PER SHARE

Earnings per share based on profit for the twelve months ended 31 March 2022 was 68,51 cents (31 March 2021: 34,59 cents), compared to a headline earnings per share of 72,17 cents (31 March 2021: 34,61 cents).

12. DIVIDENDS

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

13. DIRECTORS

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.

14. PROSPECTS

The past 12 months have been exceptional for the Group. Strategies that were implemented exceeded expected returns, building on the results achieved in the prior financial year. The Group will continue growing on the strategic path set during the past 2 years by expanding its operations within Namibia, driving efficiencies, providing exceptional service and continuously improving investment returns.

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

On behalf of the Board:

PJ de W Tromp
TB Horn

Windhoek, 29 June 2022

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

