

A large, decorative graphic on the right side of the page consists of multiple concentric, nested chevron shapes pointing downwards and to the right. The innermost shape is a solid orange square, followed by several thin white lines, and then several thin dark red lines. A grey rounded rectangular box is overlaid on the center of these shapes.

**Nictus Holdings Limited
Consolidated Unaudited
Group Results**
for the six months ended 30 September 2019

NICTUS HOLDINGS
CONSOLIDATED UNAUDITED GROUP RESULTS

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

Figures in N\$'000	Note	Unaudited		Change %	Audited
		Six months ended 30 Sept 19	30 Sept 18		Year ended 31 Mar 19
Revenue		316,645	406,726	(22)	677,603
Cost of sales		(225,635)	(296,571)	(24)	(470,061)
Claims incurred		(2,979)	(10,890)	(73)	(13,056)
Gross profit		88,031	99,265	(11)	194,486
Other income		3,287	4,793	(31)	9,919
Other operating gains		84	-	100	2,254
Investment income from operations		16,581	14,815	12	33,316
Operating and administrative expenses		(103,428)	(110,599)	(6)	(224,913)
Operating profit		4,555	8,274	(45)	15,062
Investment income		1,499	1,506	(0)	2,798
Operating profit before financing costs	5	6,054	9,780	(38)	17,860
Financing costs		(5,482)	(9,340)	(41)	(15,046)
Profit before taxation		572	440	30	2,814
Taxation		568	1,372	(59)	4,342
Profit for the period		1,140	1,812	(37)	7,156
Total comprehensive income for the period		1,140	1,812	(37)	7,156
Other comprehensive income:					
Total comprehensive income for the year		1,140	1,812	(37)	7,156
Total comprehensive income attributable to:					
Owners of the Parent		1,140	1,812	(37)	7,156
Earnings per share					
Basic and diluted earnings per share (cents)	8	2.13	3.39	(37)	13.64
Basic and diluted earnings per share before treasury share adjustment (cents)		2.17	3.45	(37)	13.39
Dividends per share (cents) * **		12.00	12.00	-	12.00
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 2019 of 12 cents per share					
** Dividends paid July 2018 of 12 cents per share					

STATEMENT OF FINANCIAL POSITION

Figures in N\$'000	Unaudited		Audited
	30 Sept 19	30 Sept 18	31 Mar 19
ASSETS			
Non-current assets	838,739	794,860	827,762
Property, plant and equipment	348,970	339,867	342,131
Investment property	43,642	43,642	43,642
Intangible assets	4,179	1,905	2,207
Trade receivables, Investments at fair value and Loans and receivables	428,608	400,506	428,570
Deferred tax assets	13,340	8,940	11,212
Current assets	806,190	926,885	897,124
Total assets	1,644,929	1,721,745	1,724,886
EQUITY	161,337	161,708	167,052
Stated capital	129	129	129
Revaluation reserve	58,848	58,848	58,848
Contingency reserve (Insurance)	15,551	15,551	15,551
Retained earnings	86,809	87,180	92,524
LIABILITIES			
Non-current liabilities	47,764	155,357	142,471
Interest bearing loans and borrowings	21,953	127,223	115,031
Deferred tax liabilities	25,811	28,134	27,440
Current liabilities *	1,435,828	1,404,680	1,415,363
Insurance contract liability	1,304,389	1,288,412	1,304,200
Other current liabilities	131,439	116,268	111,163
Total liabilities	1,483,592	1,560,037	1,557,834
Total equity and liabilities	1,644,929	1,721,745	1,724,886

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

NICTUS HOLDINGS
CONSOLIDATED UNAUDITED GROUP RESULTS

STATEMENT OF CHANGES IN EQUITY

	Stated capital	Revaluation reserve	Contingency reserve	Retained earnings	Total equity
Balance at 1 April 2018	129	58,848	15,551	91,516	166,044
Total comprehensive income	-	-	-	1,812	1,812
Profit for the period	-	-	-	1,812	1,812
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 2018	129	58,848	15,551	87,180	161,708
Total comprehensive income	-	-	-	5,344	5,344
Profit for the period	-	-	-	5,344	5,344
Balance at 31 March 2019, as previously reported	129	58,848	15,551	92,524	167,052
Impact of change in accounting policy	-	-	-	(707)	(707)
Restated balance at 31 March 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

STATEMENT OF CASH FLOW

Figures in N\$'000	Unaudited		Audited
	Six months ended 30 Sept 19	30 Sept 18	Year ended 31 Mar 19
Cash generated from / (used in) operations	14,075	(110,252)	82,410
Interest income	1,499	1,506	2,798
Finance cost	(5,482)	(9,340)	(15,046)
Net cash generated from / (used in) operating activities	10,092	(118,086)	70,162
Net cash generated from / (used in) investing activities	27,088	130,124	(27,248)
(Repayment of) / proceeds from interest bearing loans and borrowings	(92,349)	14,268	1,875
Dividends paid	(6,413)	(6,413)	(6,413)
Proceeds from / (repayment of) loans from related parties	8,943	(6,949)	(6,141)
Net cash (used in) / generated from financing activities	(89,819)	906	(10,679)
Net movement in cash and cash equivalents	(52,639)	12,944	32,235
Cash and cash equivalents at beginning of period	426,450	394,215	394,215
Cash and cash equivalents at end of period	373,811	407,159	426,450

RECONCILIATION OF HEADLINE AND DISTRIBUTABLE EARNINGS

Figures in N\$'000	Note	Unaudited		Audited
		Six months ended 30 Sept 19	30 Sept 18	Year ended 31 Mar 19
Profit for the period, net of taxation		1,140	1,812	7,156
Profit on disposal of plant and equipment		(3)	(51)	(306)
Headline earnings	8	1,137	1,761	6,850
Headline earnings per share (cents)		2.17	3.30	13.06
Headline earnings per share before treasury share adjustment (cents)		2.13	3.36	12.82

**NICTUS HOLDINGS
 CONSOLIDATED UNAUDITED GROUP RESULTS**
SEGMENTAL ANALYSIS

Figures in N\$'000	Note	Unaudited		Change %	Audited
		Six months ended			Year ended
		30 Sept 19	30 Sept 18		31 Mar 19
Segment assets					
Retail		248,638	275,207	(10)	231,199
Property		390,601	387,439	1	388,987
Insurance & Finance		1,419,395	1,394,933	2	1,420,312
		<u>2,058,634</u>	<u>2,057,579</u>	<u>0</u>	<u>2,040,498</u>
Head office and eliminations		(413,705)	(335,834)	23	(315,612)
	6	<u>1,644,929</u>	<u>1,721,745</u>	<u>(4)</u>	<u>1,724,886</u>
Segment revenue					
Retail		280,947	358,778	(22)	591,820
Property (mainly intra-group)		11,414	13,345	(14)	24,637
Insurance & Finance		54,542	61,923	(12)	109,032
		<u>346,903</u>	<u>434,046</u>	<u>(20)</u>	<u>725,489</u>
Head office and eliminations		(30,258)	(27,320)	11	(47,886)
	6	<u>316,645</u>	<u>406,726</u>	<u>(22)</u>	<u>677,603</u>
Operating profit / (loss) after taxation					
Retail		(6,374)	(7,377)	(14)	(9,629)
Property		(2,521)	(1,822)	38	(3,853)
Insurance & Finance		13,371	11,449	17	23,731
		<u>4,476</u>	<u>2,250</u>	<u>99</u>	<u>10,249</u>
Head office and eliminations		(3,336)	(438)	662	(3,093)
	6	<u>1,140</u>	<u>1,812</u>	<u>(37)</u>	<u>7,156</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, except for the adoption of new and amended standards as set out below.

1(a) New and amended standards adopted by the Group

A number of new or amended standards became applicable for the current reporting period, and the Group had to change its accounting policies and make retrospective adjustments as a result of adopting IFRS 16 Leases.

The impact of the adoption of the leasing standard and the new accounting policies are disclosed in note 3 below. The other standards did not have any impact on the Group's accounting policies and did not require retrospective adjustments.

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. CHANGE IN ACCOUNTING POLICY

This note explains the impact of the adoption of IFRS 16 Leases on the Group's financial statements and discloses the new accounting policies that have been applied from 1 April 2019 in the note below.

IFRS 16 has been adopted by applying the modified retrospective approach, whereby the comparative figures are not restated. Instead, cumulative adjustments to retained earnings have been recognized in retained earnings as at 1 April 2019.

3(a) Adjustments recognized on adoption of IFRS 16

On adoption of IFRS 16, the Group recognized lease liabilities in relation to leases which had previously been classified as 'operating leases' under the principles of IAS 17 Leases. These liabilities were measured at the present value of the remaining lease payments, discounted using the lessee's incremental borrowing rate as of 1 April 2019. The weighted average lessee's incremental borrowing rate applied to the lease liabilities on 1 April 2019 was 10,12%.

	Figures in N\$'000
Reconciliation of previous operating lease commitments to lease liabilities under IFRS 16	
Operating lease commitment at 31 March 2019 as previously disclosed	13,975
Discounted using the incremental borrowing rate at 1 April 2019	12,154
Less: short term leases recognized on a straight-line basis as expense	(4,410)
Lease Liabilities recognized as 1 April 2019	<u>7,744</u>
Current lease liabilities	1,507
Non-current lease liabilities	<u>6,237</u>
	<u>7,744</u>

The associated right-of-use assets for property leases were measured on a retrospective basis as if the new rules had always been applied. There were no onerous lease contracts that would have required an adjustment to the right-of-use assets at the date of initial application. The recognized right-of-use asset only relates to properties (meeting the definition of property, plant and equipment).

	Figures in N\$'000
The change in accounting policy affected the following items on 1 April 2019:	
~ Right-of-use assets	5,698
~ Deferred tax assets	378
~ Prepayments	(3)
~ Lease Liabilities	(6,877)
~ Income statement effect	<u>97</u>
Impact on retained earnings	<u>(707)</u>

Practical expedients applied

In applying IFRS 16 for the first time, the Group has used the following practical expedients permitted by the standard:

- the use of a single discount rate to a portfolio of lease with reasonably similar characteristics
- the accounting for operating leases with a remaining lease term of less than 12 months as at 1 April 2019 as short-term leases
- the use of hindsight in determining the lease term where the contract contains options to extend or terminate the lease.

3(b) The Group's leasing activities and how these are accounted for

The Group leases several buildings for use in its business operations. Rental contracts are typically made for fixed periods of 2 to 5 years but may have extension options. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants, but leased assets may not be used as security for borrowing purposes.



3. CHANGE IN ACCOUNTING POLICY continues

Leases of property, plant and equipment were classified as operating leases until 31 March 2019. Payments made under operating leases were charged to profit or loss on a straight-line basis over the period of the lease. From 1 April 2019, leases are recognized as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Group. Each lease payment is allocated between the liability and finance cost.

The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The right-of-use asset is depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis.

The lease liabilities are measured as the present value of remaining lease payments, discounted using the lessee's incremental borrowing rate at the date of initial application. Right-of-use assets are measured as the amount of the initial measurement of lease liability (adjusted by the amount of any previously recognized prepaid or accrued lease payments relating to that lease).

Payments associated with short-term leases and leases of low-value assets are recognized on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less. Low-value assets comprise IT equipment and small items of office furniture.

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 2019.

5. REVIEW OF OPERATIONS

Overview of first six months

Trading conditions remain challenging as stated in the 2019 annual report. Trading conditions are now seen as 'the new normal' and continuous alignment of our businesses to these conditions is starting to reap results which are reflected in the results for the period.

6. SEGMENT RESULTS

Retail segment: Revenue declined compared to the prior reporting period. Results for the first six months is, however, a 14% improvement in operating profit / (loss) from the prior year despite declining revenues. Organic growth of the retail segment remains a focus area.

Property Companies: Revenues declined during the year, and as a result, the operating results have also declined. Savings have been achieved in electricity expenses over the past year which positively affected the segment results. Another solar plant was installed at the motor dealership to further drive efficiencies in the future.

Insurance and finance: Results for the segment have exceeded expectations. Improved profitability is mainly due to improved investment income and cost savings.

7. DETERMINATION AND DISCLOSURE OF FAIR VALUES

Fair values have been determined for measurement and/or disclosure purpose based on the following methods. There were no changes in the Group's valuation processes, valuation techniques, and types of inputs used in the fair value measurements since year-end.

Investment properties and land and buildings

The Group's Board of directors revalued the land and buildings at 31 March 2019. 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 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 (including bank overdraft)

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.



7.1 Categories and Financial Instruments

Figures in N\$'000	Unaudited			Unaudited			Audited		
	30 September 2019			30 September 2018			31 March 2019		
	Amortised Cost	FVTPL - mandatory	Total	Amortised Cost	FVTPL - mandatory	Total	Amortised Cost	FVTPL - mandatory	Total
Financial assets									
Loans receivable	516,472		516,472	393,041		393,041	545,458		545,458
Investments at fair value	-	12,375	12,375	-	32,045	32,045	-	21,819	21,819
Trade and other receivables (excl. VAT)	209,048		209,048	355,503		355,503	216,957	-	216,957
Cash and cash equivalents	373,811		373,811	407,159		407,159	426,450		426,450
	1,099,331	12,375	1,111,706	1,155,703	32,045	1,187,748	1,188,865	21,819	1,210,684
		Amortised cost	Total		Amortised cost	Total		Amortised cost	Total
Financial liabilities									
Interest-bearing loans and borrowings		58,175	58,175		162,917	162,917		150,524	150,524
Trade and other payables (excl. VAT)		47,599	47,599		45,751	45,751		40,212	40,212
Loans from related parties		42,853	42,853		33,102	33,102		33,910	33,910
Insurance contract liability		1,304,389	1,304,389		1,288,412	1,288,412		1,304,200	1,304,200
		1,453,016	1,453,016		1,530,182	1,530,182		1,528,846	1,528,846

7.2 Fair value hierarchy for financial instruments, land and buildings and investment property

Figures in N\$'000	Unaudited			Unaudited			Audited		
	30 September 2019			30 September 2018			31 March 2019		
	Fair Value	Level 1	Level 2	Fair Value	Level 1	Level 2	Fair Value	Level 1	Level 2
Assets									
Land	94,075		94,075	94,075		94,075	94,075		94,075
Buildings	229,873		229,873	228,495		228,495	229,648		229,648
Investment property	43,642		43,642	43,642		43,642	43,642		43,642
Listed shares	5,964	5,964	-	32,045	32,045	-	21,066	21,066	-
Debt securities	6,411	6,411	-	-	-	-	753	753	-
Loans and receivables	516,472		516,472	393,041		393,041	545,458		545,458
	896,437	12,375	884,062	791,298	32,045	759,253	934,642	21,819	912,823

There were no transfers between the levels for the reporting period.



7. DETERMINATION AND DISCLOSURE OF FAIR VALUES continues

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.

8. HEADLINE EARNINGS

For the six month period ended 30 September 2019 the only item that impacted the headline earnings calculation was the profit on disposal of plant and equipment.

9. BASIC EARNINGS PER SHARE

Earnings per share based on profit for the six months ended 30 September 2019 was 2.13 cents (30 September 2018: 3.39 cents), compared to a headline earnings per share of 2.13 cents (30 September 2018: 3.30 cents).

10. DIVIDENDS

Ordinary dividends of 12 cents per share (N\$ 6,4 million) was declared and paid by the Company on 22 July 2019. No interim dividend has been proposed by the Board of directors.

11. DIRECTORS

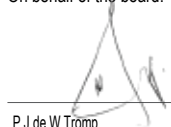
The following directors were re-elected at the Annual General Meeting on 29 August 2019 – Gerard Swart, NC Tromp and WO Fourie. TB Horn was also elected as an independent non-executive director. JD Mandy retired as director as well as Chairman of the Audit committee on the same day. FR van Staden and GR de V Tromp were re-elected as members of the Audit committee. TB Horn was elected as Chairperson of the Audit committee with effect from 29 August 2019.

12. 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:



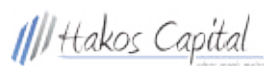
P J de W Tromp

Windhoek, 6 December 2019

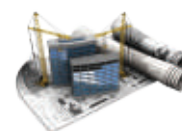


TB Horn

Nictus Group of Companies



AUAS
MOTORS





NICTUS HOLDINGS LIMITED

Registration number: 1962/1735

NSX Share code: NHL

ISIN number: NA000A1J2SS6

Directorate:

Gerard Swart (Independent Non-Executive Chairman)

Talita B Horn (Independent Non-Executive)

Nicolaas C Tromp (Non-Executive)

Gerard R de V Tromp (Non-Executive)

Philippus J de W Tromp (Managing Director)

Frans R van Staden (Executive)

Wilmar O Fourie (Executive)

Registered Office:

Nictus Building, 140 Mandume Ndemufayo Avenue, Southern Industrial area, Windhoek

Transfer Secretaries:

Veritas Board of Executors (Proprietary) Limited,

140 Mandume Ndemufayo Avenue

Southern Industrial Area

Windhoek

P O Box 755, Windhoek

Independent external auditors:

SGA Chartered Accountants and Auditors

Sponsor on the NSX:

Simonis Storm Securities (Pty) Ltd

PLEASE VISIT OUR WEBSITE AT

www.nictusholdings.com