

NAMIBIA ASSET MANAGEMENT LTD ("NAM")
Registration No. 97/397
Registered in Namibia
ISIN Code: NA000AOJMZ44
NSX Share Code: NAM

REVIEWED INTERIM RESULTS FOR THE SIX MONTH-PERIOD ENDED 31 MARCH 2023

Overview

The 2022 calendar year was a volatile one for global markets, riddled with strong macro shocks including an ongoing war, inflationary pressures and unexpectedly steep monetary tightening, creating challenging operating conditions globally.

In keeping with the last few years, the first quarter of 2023 was not short of surprises. Global markets responded to fluctuating sentiment, rising strongly through January before pulling back and, then, regaining much of what they had lost in the final days of the quarter. Global credit markets were impacted by the stress in the banking sector following the failure of two mid-size US banks, and Swiss icon, Credit Suisse. All the while, geopolitical and recessionary risks remained elevated, and which continue to impact investor positioning and sentiment.

Results

Total assets under management (AuM) increased by 8.0% to N\$17.5 billion (September 2022: N\$16.2 billion). Our retail AuM represented N\$2.5 billion (September 2022: N\$2.4 billion) at the end of March 2023 while institutional AuM represented N\$15.0 billion (September 2022: N\$13.8 billion). Included in the March 2023 institutional AuM are cash dividends of N\$850 million. This is a result of a corporate transaction that was subsequently paid out after March 2023.

Revenue declined by 9.0% to N\$33.0 million for the six month-period ended 31 March 2023 (31 March 2022: N\$36.3 million).

Total operating expenses decreased by 6.2% to N\$27.0 million (31 March 2022: N\$28.8 million). This is due to our continued focus on managing expenses and our variable expenditure model that has shielded shareholders from the continued extreme cost pressures that businesses continue to experience.

Key outcomes from NAM's reviewed results for the six month-period ended 31 March 2023 are as follows:

- Revenue from contracts with customers was down 9.0% to N\$33.0 million (31 March 2022: N\$36.3 million).
- Operating profits increased by 6.9% to N\$8.3 million (31 March 2022: N\$7.8 million). The increase in operating

profit is due to unrealised gains on marketable security investments.

- Total comprehensive income increased by 11.7% to N\$6.5 million (31 March 2022: N\$5.8 million).
- Headline earnings per share was up 11.6% to 4.16 cents (31 March 2022: 3.73 cents).
- Fund management earnings per share (FMEPS) was down 19.2% to 3.02 cents (31 March 2022: 3.74 cents). FMEPS is used by management to measure true operating financial performance. FMEPS excludes the net mark-to-market impact of fair value gains and losses on our investments held in marketable securities.

Business update and corporate citizenship

The Namibian Government has put the implementation of the Financial Institutions and Markets Act (FIMA) on hold, pending a further consultation process with various key stakeholders. NAM has been engaging with the regulator through our industry bodies to ensure that our views on this critical piece of legislation are considered in the final drafts of the standards.

Our bursary scheme, which is administered through a partnership with the UNAM Foundation, continues to underscore our commitment to education by enabling eligible undergraduate students to study finance-related degrees at tertiary institutions. In addition to providing financial support to eligible students and those pursuing the Chartered Accountancy route, we have included Chartered Financial Analyst (CFA) students in this academic year. We have taken note of the acute shortage of CFA Charter holders in Namibia, despite the glaring demand for these professionals in our industry. Our support of CFA students is part of our contribution towards expanding the pool of investment professionals and improving on the competitiveness of our industry.

For the 2023 financial year, NAM awarded bursaries worth N\$380,000 to deserving Namibian students. Since the inception of our bursary programme in 2013, we have sponsored 38 students enrolled at local and regional academic institutions amounting to N\$4.1 million. Through our inhouse internship programme we are mentoring a young Namibian professional in our compliance department.

Prospects

We expect the impact of most of the key drivers of markets in 2022 to continue well into 2023, with a major concern for prospects being the growth outlook of major economies.

While the past 18 months have been incredibly difficult for investors, we are positive about the opportunities that economic challenges are providing to investors who are prepared to take the long-term view.

Ultimately, we believe that our deep proprietary research and long-term, fundamental, bottom-up investment philosophy enable us to make the appropriate long-term decisions for the benefit of our clients and all our stakeholders.

We will continue to invest in our business and remain committed to playing our part as an active and responsible corporate citizen.

External audit review

The external auditor, EY Namibia, has reviewed the Condensed Group Statement of financial position of the Namibia Asset Management Limited Group as at 31 March 2023, and the related Condensed Group Statement of comprehensive income, Statement of changes in equity, Statement of cash flows, and Notes to the interim financial statements. The review has been conducted in accordance with the International Standard on Review Engagements 2410. Copies of the unqualified report of EY Namibia are available for inspection at the registered office of the Company. Any forward-looking information contained in this announcement has not been reviewed or reported on by the Group's external auditors.



A PILLAY
CHAIRMAN

19 May 2023



T SHAANIKA
CHIEF EXECUTIVE OFFICER

BOARD OF DIRECTORS

A Pillay* (Chairman)
T Shaanika (Chief Executive Officer)
B Uisso (Chief Financial Officer)
R G Young*
B Rossouw
S Walters
E Angula
L Smith*
E Kandongo
(* South African)

COMPANY SECRETARY

B Uisso

REGISTERED OFFICE

1st Floor, Millennium House, Corner of Robert Mugabe Avenue and
DR AB May Street, Windhoek
P.O. Box 23329, Windhoek, Namibia

AUDITORS

Ernst & Young Namibia
Registered Accountants and Auditors
Chartered Accountants (Namibia)
Cnr Otto Nitzsche and Maritz Streets
P.O. Box 1857 Windhoek, Namibia

SPONSOR

IJG Securities (Pty) Ltd
Member of the NSX
4th Floor, 1@Steps, Cnr Grove and Chasie Streets
Windhoek, Namibia

TRANSFER SECRETARIES

Transfer Secretaries (Pty) Ltd
4 Robert Mugabe Avenue
P.O. Box 2401
Windhoek, Namibia

Release date: 19 May 2023

NAMIBIA ASSET MANAGEMENT LTD

REVIEWED CONDENSED INTERIM RESULTS FOR THE SIX MONTHS ENDED 31 MARCH 2023

CONDENSED GROUP STATEMENT OF COMPREHENSIVE INCOME

	Reviewed 31 March 2023 N\$	Reviewed 31 March 2022 N\$	% Change	Audited 30 September 2022 N\$
Revenue (note 5)	33 029 148	36 301 869	(9.0%)	90 268 837
Other income (note 6)	2 352 917	337 341	597.5%	(135 322)
Operating expenditure	(27 040 462)	(28 835 382)	(6.2%)	(74 923 054)
Operating profit	8 341 603	7 803 828	6.9%	15 210 461
Finance income	803 910	547 391	46.9%	1 164 621
Finance costs	(70 394)	(92 123)	(23.6%)	(189 302)
Profit before tax	9 075 119	8 259 096	9.9%	16 185 780
Taxation	(2 590 501)	(2 453 275)	5.6%	(5 406 570)
Profit attributable to ordinary shareholders	6 484 618	5 805 821	11.7%	10 779 210
Total comprehensive income for the period	6 484 618	5 805 821	11.7%	10 779 210
EARNINGS PER SHARE (cents)				
- Basic	4.16	3.73	11.6%	6.92
- Diluted	3.77	3.69	2.1%	6.27

NAMIBIA ASSET MANAGEMENT LTD

REVIEWED CONDENSED INTERIM RESULTS FOR THE SIX MONTHS ENDED 31 MARCH 2023

CONDENSED GROUP STATEMENT OF FINANCIAL POSITION

	Reviewed 31 March 2023 N\$	Reviewed 31 March 2022 N\$	Audited 30 September 2022 N\$
ASSETS			
Non - current assets	9 159 593	10 683 660	10 251 853
Property, equipment and right-of-use-assets	2 189 749	3 310 252	2 743 300
Marketable securities - statutory investments (note 4)	6 000 000	6 000 000	6 000 000
Deferred tax	969 844	1 373 408	1 508 553
Current assets	36 467 490	37 162 377	62 420 964
Marketable securities - additional investments (note 4)	16 628 569	16 946 723	16 329 096
Trade and other receivables	10 733 434	11 339 098	31 189 082
Current tax asset	346 047	1 169 754	636 672
Cash and cash equivalents	8 759 440	7 706 802	14 266 114
TOTAL ASSETS	45 627 083	47 846 037	72 672 817
EQUITY AND LIABILITIES			
TOTAL EQUITY ATTRIBUTABLE TO ORDINARY SHAREHOLDERS	24 660 563	24 285 762	29 707 718
Issued capital	2 000 000	2 000 000	2 000 000
Share premium	1 811 177	1 811 177	1 811 177
Reserve for own shares* (note 7)	(9 745 377)	(9 812 774)	(9 812 774)
Share based payment reserve*	2 117 056	2 604 232	1 672 706
Retained earnings*	28 477 707	27 683 127	34 036 609
Non-current liabilities	566 177	1 595 977	1 019 676
Lease liability	566 177	1 595 977	1 019 676
Current liabilities	20 400 343	21 964 298	41 945 423
Shareholders for dividends	550 631	486 840	486 840
Lease liability - current portion	1 080 687	852 539	970 464
VAT payable	135 823	10 559	44 975
Trade and other payables	18 633 202	20 614 360	40 443 144
TOTAL EQUITY AND LIABILITIES	45 627 083	47 846 037	72 672 817

*Comparative amounts for March 2022 have been reclassified. Refer to Condensed Group Statement of changes in equity for detail.

NAMIBIA ASSET MANAGEMENT LTD

REVIEWED CONDENSED INTERIM RESULTS FOR THE SIX MONTHS ENDED 31 MARCH 2023

CONDENSED GROUP STATEMENT OF CHANGES IN EQUITY

	Ordinary share capital	Share premium	Retained earnings	Share based payment reserve	Reserve for own Shares (note 7)	Total
	N\$	N\$	N\$	N\$	N\$	N\$
Balance as at 1 October 2021	2 000 000	1 811 177	34 832 681	2 395 701	(9 357 288)	31 682 271
Comprehensive income for the period	-	-	5 805 821	-	-	5 805 821
Profit for the period	-	-	5 805 821	-	-	5 805 821
Transactions with owners recorded directly to equity	-	-	(12 955 375)	208 531	(455 486)	(13 202 330)
Dividends declared to equity holders	-	-	(12 955 375)	-	-	(12 955 375)
Share based payments*	-	-	-	148 895	-	148 895
Acquisition of NAM shares by the NSST*	-	-	-	-	(669 900)	(669 900)
Staff share options exercised*	-	-	-	59 636	214 414	274 050
Balance as at 31 March 2022 (reviewed)	2 000 000	1 811 177	27 683 127	2 604 232	(9 812 774)	24 285 762
Comprehensive income for the period	-	-	4 973 389	-	-	4 973 389
Profit for the period	-	-	4 973 389	-	-	4 973 389
Transactions with owners recorded directly to equity	-	-	1 380 093	(931 526)	-	448 567
Share based payments	-	-	-	448 567	-	448 567
Transfer between equity accounts**	-	-	1 380 093	(1 380 093)	-	-
Balance as at 30 September 2022 (audited)	2 000 000	1 811 177	34 036 609	1 672 706	(9 812 774)	29 707 718
Comprehensive income for the period	-	-	6 484 618	-	-	6 484 618
Profit for the period	-	-	6 484 618	-	-	6 484 618
Transactions with owners recorded directly to equity	-	-	(12 043 520)	444 350	67 397	(11 531 773)
Dividends declared to equity holders	-	-	(12 043 520)	-	-	(12 043 520)
Share based payments	-	-	-	444 350	-	444 350
Sale of NAM shares by the NSST	-	-	-	-	67 397	67 397
Balance as at 31 March 2023 (reviewed)	2 000 000	1 811 177	28 477 707	2 117 056	(9 745 377)	24 660 563

*Comparative amounts for March 2022 have been reclassified. In March 2022 an IFRS 2 transaction was incorrectly treated during the interim review period however it was correctly treated in the September 2022 audited numbers. This has been corrected now in the March 2022 figures and the dividend declared in March 2022 has decreased by N\$395 851, the share-based payment reserve increased by N\$59 635 and the reserve for own shares decreased by N\$455 486. The 2021 dividend declared of 6 cents per share and resulting dividend paid remains unchanged.

**This equity transfer relates to the equity share based payments which were accrued for previously which have since been settled on the exercise of the respective share options.

NAMIBIA ASSET MANAGEMENT LTD

REVIEWED CONDENSED INTERIM RESULTS FOR THE SIX MONTHS ENDED 31 MARCH 2023

CONDENSED GROUP STATEMENT OF CASH FLOWS

	Reviewed 31 March 2023 N\$	Reviewed 31 March 2022 N\$	Audited 30 Sept 2022 N\$
Cash flows from operating activities			
Cash generated by operations	7 961 310	7 492 652	16 693 212
Finance income received	803 910	547 391	1 164 621
Income taxes paid	(1 761 166)	(2 415 598)	(4 971 983)
Net cash generated from operating activities	7 004 054	5 624 445	12 885 850
Cash flow from investing activities			
Acquisitions of equipment to maintain operations	-	(421 517)	(551 073)
Proceeds from the sale of equipment	-	-	2 500
Net cash used from investing activities	-	(421 517)	(548 573)
Cash flows from financing activities			
Dividend paid	(11 979 729)	(13 280 114)	(12 884 254)
Proceeds from the sale of treasury shares	67 397	-	-
Acquisition of staff shares	-	-	(395 850)
Repayment of interest-bearing borrowings - Capital	-	(366 006)	(386 468)
Repayment of interest-bearing borrowings - Interest	-	(20 461)	-
Repayment of lease liability - Capital	(527 003)	(438 471)	(913 962)
Repayment of lease liability - Interest	(71 393)	(97 603)	(197 158)
Net cash used from financing activities	(12 510 728)	(14 202 655)	(14 777 692)
Decrease in cash and cash equivalents	(5 506 674)	(8 999 727)	(2 440 415)
Cash and cash equivalents at the beginning of the period	14 266 114	16 706 529	16 706 529
Cash and cash equivalents at the end of the period	8 759 440	7 706 802	14 266 114

NOTES TO THE REVIEWED CONDENSED GROUP INTERIM FINANCIAL STATEMENTS

1. Reporting entity

Namibia Asset Management Ltd (the "Company") is a Company incorporated in Namibia. The condensed Group interim financial statements for the six months ended 31 March 2023 comprise the Company and its subsidiaries (together referred to as the "Group").

2. Statement of compliance

These condensed Group interim financial statements have been prepared using the framework principles, the recognition and measurement principles of the International Financial Reporting Standards (IFRS) and contain the presentation and disclosures required by IAS 34, Interim Financial Reporting and in the manner required by the Namibian Companies Act 28 of 2004. These condensed Group interim financial statements have not been audited but have been independently reviewed by the Group's external auditors.

The Group has only one operating segment and thus no segmental reporting has been provided.

These condensed Group interim financial statements were approved by the Board of Directors on 19 May 2023.

3. Significant accounting policies

The accounting policies applied by the Group in these condensed Group interim financial statements are the same as those applied by the Group in its full Group annual financial statements as at and for the year ended 30 September 2022.

No new or amended IFRS standards became effective for the six months ended 31 March 2023 that impacted the Group's reported earnings, financial position or accounting policies.

4. Fair value disclosure

The table below analyses financial instruments carried at fair value, by valuation method. The different levels have been defined as follows:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: Inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as closing prices) or indirectly (i.e. derived from closing prices).

Level 3: Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

NOTES TO THE REVIEWED CONDENSED GROUP INTERIM FINANCIAL STATEMENTS (CONTINUED)

4. Fair value disclosure (continued)

31 March 2023 (reviewed)	Level 1	Total
	N\$	N\$
Financial assets mandatorily at fair value through profit or loss:		
- Marketable securities - statutory investments	6 000 000	6 000 000
- Marketable securities - additional investments	16 628 569	16 628 569
	22 628 569	22 628 569
<hr/>		
31 March 2022 (reviewed)	Level 1	Total
	N\$	N\$
Financial assets designated at fair value through profit or loss:		
- Marketable securities - statutory investments	6 000 000	6 000 000
- Marketable securities - additional investments	16 946 723	16 946 723
	22 946 723	22 946 723
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30 September 2022 (audited)	Level 1	Total
	N\$	N\$
Financial assets designated at fair value through profit or loss:		
- Marketable securities - statutory investments	6 000 000	6 000 000
- Marketable securities - additional investments	16 329 096	16 329 096
	22 329 096	22 329 096

5. Revenue from contracts with customers

Revenue comprises:

	Reviewed 31 March 2023 N\$	Reviewed 31 March 2022 N\$	Audited 30 Sept 2022 N\$
Segregated fund fees	24 398 285	27 247 915	72 060 067
Unit trust fund fees	8 630 863	9 053 954	18 208 770
	33 029 148	36 301 869	90 268 837

All revenue from customers is earned over time as defined in IFRS 15.

NOTES TO THE REVIEWED CONDENSED GROUP INTERIM FINANCIAL STATEMENTS (CONTINUED)

6. Other income

	Reviewed 31 March 2023 N\$	Reviewed 31 March 2022 N\$	Audited 30 Sept 2022 N\$
Gains/(losses) on financial assets held at fair value through profit or loss	1 777 147	(20 024)	(934 110)
Unit Trust fund distributions	152 020	38 386	103 057
Trailer fees and other	423 750	318 979	693 231
Profit on sale of equipment	-	-	2 500
	2 352 917	337 341	(135 322)

7. Reserve for own shares

Movement in Reserve for own shares	No. shares	N\$
At 1 October 2021	44 295 800	(9 357 288)
Staff share options exercised	(1 015 000)	214 414
Acquisition of shares by the Urban Street Trust	1 015 000	(669 900)
At 31 March 2022*	44 295 800	(9 812 774)
At 30 September 2022	44 295 800	(9 812 774)
Sale of shares by the NSST	(100 000)	67 397
At 31 March 2023	44 195 800	(9 745 377)

*Comparative amounts for March 2022 have been reclassified. Refer to Condensed Group Statement of changes in equity for detail.

NAM has two incentive schemes under which options to subscribe for NAM shares have been granted to employees as part of the long-term incentive scheme.

8. Related party transactions

No new significant related party transactions arose during the current period which differ in nature to those disclosed in the Group annual financial statements as at and for the year ended 30 September 2022.

9. Events subsequent to the reporting date

The directors are not aware of any material events, occurring between 31 March 2023 and the authorisation date of the announcement that would have an impact on these results.

The directors remain confident that the Group will continue to deliver on its core strategy. We believe that the actions we take now will bode well for NAM in the future and we continue to look through the market noise to identify those opportunities that will deliver alpha through the cycle.

NOTES TO THE REVIEWED CONDENSED GROUP INTERIM FINANCIAL STATEMENTS (CONTINUED)

10. Earnings per share

	Reviewed 31 March 2023 N\$	Reviewed 31 March 2022 N\$	Audited 30 Sept 2022 N\$
Earnings			
Earnings per share is based on basic earnings of:	6 484 618	5 805 821	10 779 210
Headline earnings per share is based on headline earnings of:	6 484 618	5 805 821	10 779 210
Reconciliation of basic earnings to headline earnings			
Basic earnings	6 484 618	5 805 821	10 779 210
Profit on sale of equipment	-	-	(2 500)
Headline earnings attributable to ordinary shareholders	6 484 618	5 805 821	10 776 710
Weighted average number of ordinary shares in issue	155 804 200	155 704 200	155 704 200
Diluted weighted average number of ordinary shares in issue*	172 080 376	157 248 966	171 973 070
Reconciliation of statutory shares in issue to diluted ordinary shares in issue			
Authorised and issued shares	200 000 000	200 000 000	200 000 000
Treasury shares			
- Shares held by NAM Staff Share Trust	(1 967 500)	(2 067 500)	(2 067 500)
- Shares held by The Orban Street Trust	(42 228 300)	(42 228 300)	(42 228 300)
Weighted average number of shares in issue**	155 804 200	155 704 200	155 704 200
Effect of share options outstanding***	16 276 176	1 544 766	16 268 870
Diluted ordinary shares in issue	172 080 376	157 248 966	171 973 070

NOTES TO THE REVIEWED CONDENSED GROUP INTERIM FINANCIAL STATEMENTS (CONTINUED)

10. Earnings per share (continued)

	Reviewed 31 March 2023 N\$ (cents)	Reviewed 31 March 2022 N\$ (cents)	Audited 30 Sept 2022 N\$ (cents)
Basic earnings per share	4.16	3.73	6.92
Headline earnings per share#	4.16	3.73	6.92
Diluted earnings per share	3.77	3.69	6.27
Net asset value per share^	15.83	15.60	19.08

* Dilution of ordinary shares takes place if all staff exercise their options.

**After consolidation of treasury shares held.

Calculated in terms of JSE's HEPS circular 1/2021.

^ The calculation of the Net asset value per share has changed from using the total issued shares to the total issued shares less treasury shares.

11. Reconciliation of Fund Management Earnings

Fund management earnings is used by management to measure operating financial performance, being profit for the year excluding the net impact of fair value gains and losses on marketable security investments held by the Group. In management's view, this measure represents the earnings from core business activities of the Group, being fund management activities.

The calculation of fund management earnings is based on headline earnings attributable to ordinary shareholders, adjusted for the fair value gains and losses on our investments held in marketable securities disclosed in the Condensed Group Statement of comprehensive income. These gains and losses relate to the fair value movements on marketable security investments disclosed in the Condensed Group Statement of financial position.

NOTES TO THE REVIEWED CONDENSED GROUP INTERIM FINANCIAL STATEMENTS (CONTINUED)

11. Reconciliation of Fund Management Earnings (continued)

	Reviewed 31 March 2023 N\$	Reviewed 31 March 2022 N\$	Audited 30 Sept 2022 N\$
Headline earnings attributable to ordinary shareholders	6 484 618	5 805 821	10 776 710
(Gains)/losses on financial assets held at fair value through profit or loss (note 6)	(1 777 147)	20 024	934 110
Fund management earnings	<u>4 707 471</u>	<u>5 825 845</u>	<u>11 710 820</u>
Fund management earnings per share (cents)	3.02	3.74	7.52
Diluted fund management earnings per share (cents)	2.74	3.70	6.81