

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

REVIEWED FINANCIAL RESULTS FOR THE YEAR ENDED 30 SEPTEMBER 2022

Overview

Global markets suffered one of their worst starts to a year in over half a century, with global equity markets collapsing in 2022 following a strong post-covid recovery. In the face of persistent and compounding crises, most asset classes declined in response to the effects of soaring inflation, rising interest rates, the war and the subsequent energy crunch in Europe.

We expect market volatility to continue, mainly due to the increasingly uncertain macro environment.

Results

For the 12-months ended 30 September 2022, the MSCI All Country World Index fell by 4.33% (NAD) and the MSCI Global Emerging Markets Index was down 13.35% (NAD). Local markets fared better with the NSX Overall Index up 5.60% (NAD), while in South Africa the FTSE/JSE All Share Index was up 3.55% (ZAR).

Fund management companies are cyclical businesses that are heavily impacted by market movements. Our financial results for the period under review reflect the sharp declines seen across all asset classes globally. NAM's financial performance for the year ended 30 September 2022 was a reflection of market performance.

This unfavourable and challenging operating environment resulted in total assets under management (AuM) declining by 12.9% to N\$16.2 billion (September 2021: N\$18.6 billion). Our institutional AuM recorded a decline to N\$13.8 billion (September 2021: N\$16.2 billion), while retail AuM recorded a decline to N\$2.4 billion (September 2021: N\$2.8 billion).

Revenue declined slightly by 0.7% from N\$90.9 million in 2021 to N\$90.3 million in 2022 as a result of reduced AuM.

Total operating expenses decreased marginally by 0.8%. This is due to our continued focus on managing expenses and our variable expenditure model that has shielded shareholders from the extreme cost pressures that businesses around the world are currently experiencing.

Key outcomes from NAM's reviewed financial results for the year ended 30 September 2022 are as follows:

- Revenue was down by 0.7% to N\$90.3 million (September 2021: N\$90.9 million).
- Operating profit decreased by 15.0% to N\$15.2 million (September 2021: N\$17.9 million). The sharp decrease in operating profit is due to unrealised losses on marketable security investments.
- Excluding the impact of the unrealised losses or gains on marketable securities, operating profit (from fund management activities) would have decreased by 4.7% to N\$16.1 million.
- Headline earnings per share were down 21.5% to 6.92 cents (September 2021: 8.82 cents).

Business update and corporate citizenship

Following the complete relaxation of Covid-19 regulations in Namibia, in line with many other countries around the world, we returned to the office in full in May 2022. The end of the work from home requirements was well received by the team and we remain focussed on ensuring excellent service to our clients.

As part of NAM's strategy of supporting increased localisation of the investment management responsibilities, we appointed Colin Kalimba as a co-portfolio manager on certain strategies. Colin is participating in the Accelerated Portfolio Management Development Programme that supports top talent to assume portfolio management responsibilities. A key focus in the coming months will also be to fill an existing vacancy for a fixed-income analyst.

We continue to demonstrate our commitment to education through our bursary schemes, enabling eligible students to study finance-related degrees at tertiary institutions. In this respect, NAM awarded bursaries worth N\$450,000 to deserving Namibian students through a partnership with the University of Namibia Foundation (UNAM Foundation). Since the inception of our bursary programme in 2013, we have sponsored students enrolled at local and regional academic institutions amounting to N\$3.7 million. We are also providing inhouse internship programmes to upskill young Namibians.

In addition to the bursary programme and other financial support to educational institutions in the country, in 2023 NAM will also introduce an Investment Professionals Development Programme aimed at providing practical training to university graduates with an interest in pursuing careers in investment management.

Governance

NAM considers the Financial Institutions and Markets Act (FIMA) and the associated regulations and standards as a significant regulatory development with potential to bring fundamental changes to the regulatory landscape for the non-banking financial services sector. Although the implementation of FIMA and the finalisation of its regulations and standards have been put on hold, we continue to monitor related developments. Through our industry association, we have been an active participant in the discussions around the implementation of this legislation, with a view to ensure that there will be no unintended consequences for our clients, our business and the financial services industry.

During the year under review, Mrs Silke Hornung resigned as director effective 07 July 2022 due to regulatory restrictions on assuming another directorship role. We thank her for her contribution to our company and wish her well. The Remuneration and Nominations Committee has commenced the process of identifying a suitable replacement.

Dividend

The Board resolved to declare an ordinary dividend of 6 cents per share (2021: 7 cents per share).

The salient dates are as follows:

Last day to trade:	02 December 2022
Ex-dividend:	05 December 2022
Record date:	09 December 2022
Payment date:	15 December 2022

Prospects

The prevalent challenges are likely to remain with us for the foreseeable future, with recessionary pressures increasingly evident, especially in Europe. The recent sell-off has however resulted in attractive opportunities in both domestic and global markets. We have taken full advantage of these and are very optimistic about the long-term prospects for our client portfolios

As always, we remain focused on actively managing our clients' portfolios to ensure that we deliver superior long-term investment returns. Our commitment to long-term investing and a disciplined valuation-based approach remains the anchor of our investment process.

We are confident that, with our excellent track record of managing resources prudently and our robust long-term investment approach, we will continue to deliver value to our clients and all other stakeholders.

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 30 September 2022, and the related Condensed Group Statement of comprehensive income, Statement of changes in equity, Statement of cash flows, and Notes to the condensed group annual 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



T SHAANIKA
CHIEF EXECUTIVE OFFICER

18 November 2022

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, c/o Grove and Chasie Streets, Windhoek
Windhoek, Namibia

TRANSFER SECRETARIES

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

Release date: 18 November 2022

NAMIBIA ASSET MANAGEMENT LTD

**REVIEWED CONDENSED GROUP ANNUAL FINANCIAL RESULTS FOR THE YEAR ENDED
30 SEPTEMBER 2022**

CONDENSED GROUP STATEMENT OF COMPREHENSIVE INCOME

	Reviewed 30 Sept 2022 N\$	Audited 30 Sept 2021 N\$	% Change
Revenue (note 5)	90 268 837	90 945 695	(0.7%)
Other income*	(135 322)	2 474 741	(105.5%)
Operating expenditure	(74 923 054)	(75 518 305)	(0.8%)
Operating profit	15 210 461	17 902 131	(15.0%)
Finance income	1 164 621	1 129 864	3.1%
Finance costs	(189 302)	(295 511)	(35.9%)
Profit before tax	16 185 780	18 736 484	(13.6%)
Taxation	(5 406 570)	(5 007 224)	8.0%
Profit attributable to ordinary shareholders	10 779 210	13 729 260	(21.5%)
Total comprehensive income for the period	10 779 210	13 729 260	(21.5%)
 EARNINGS PER SHARE (cents)			
- Basic	6.92	8.82	(21.5%)
- Diluted	6.27	8.50	(26.3%)

**Movement in Other income has a fair value loss of N\$934 110 (2021: fair value gain of N\$965 577). Fair value movements are on Marketable Securities Investments.*

NAMIBIA ASSET MANAGEMENT LTD

**REVIEWED CONDENSED GROUP ANNUAL FINANCIAL RESULTS FOR THE YEAR ENDED
30 SEPTEMBER 2022**

CONDENSED GROUP STATEMENT OF FINANCIAL POSITION

	Reviewed 30 Sept 2022 N\$	Audited Restated 30 Sept 2021 N\$	Audited Restated 30 Sept 2020 N\$
ASSETS			
Non - current assets	10 251 853	11 082 299	12 133 756
Property, equipment and right-of-use- assets	2 743 300	3 407 181	4 687 429
Marketable securities - statutory investments	6 000 000	6 000 000	6 000 000
Deferred tax	1 508 553	1 675 118	1 446 327
Current assets	62 420 964	71 874 149	74 914 678
Marketable securities - additional investments*	16 329 096	22 054 272	20 080 976
Trade and other receivables	31 189 082	32 208 654	29 423 106
Current tax asset	636 672	904 694	439 226
Cash and cash equivalents*	14 266 114	16 706 529	24 971 370
TOTAL ASSETS	72 672 817	82 956 448	87 048 434
EQUITY AND LIABILITIES			
TOTAL EQUITY ATTRIBUTABLE TO ORDINARY SHAREHOLDERS	29 707 718	31 682 271	31 420 102
Issued capital	2 000 000	2 000 000	1 554 792
Share premium	1 811 177	1 811 177	2 251 860
Reserve for own shares	(9 812 774)	(9 357 288)	(9 310 500)
Share based payment reserve	1 672 706	2 395 701	3 149 875
Fair value reserve	-	-	2 133 080
Retained earnings	34 036 609	34 832 681	31 640 995
Non-current liabilities	1 019 676	1 914 679	5 388 151
Lease liability	1 019 676	1 914 679	3 003 206
Interest-bearing liabilities	-	-	2 384 945
Current liabilities	41 945 423	49 359 498	50 240 181
Interest-bearing liabilities	-	394 324	-
Shareholders for dividends	486 840	415 730	340 151
Lease liability - current portion	970 464	852 539	730 895
VAT payable	44 975	2 322 081	-
Trade and other payables	40 443 144	45 374 824	49 169 135
TOTAL EQUITY AND LIABILITIES	72 672 817	82 956 448	87 048 434

*Refer to note 8 for details of restatement.

NAMIBIA ASSET MANAGEMENT LTD

REVIEWED CONDENSED GROUP ANNUAL FINANCIAL RESULTS FOR THE YEAR ENDED 30 SEPTEMBER 2022

CONDENSED GROUP STATEMENT OF CHANGES IN EQUITY

	Ordinary share capital N\$	Share premium N\$	Retained earnings N\$	Share based payment reserve N\$	Reserve for own Shares (note 6) N\$	Fair value reserve N\$	Total N\$
Balance as at 1 October 2020	1 554 792	2 251 860	31 640 995	3 149 875	(9 310 500)	2 133 080	31 420 102
Comprehensive income for the year	-	-	13 729 260	-	-	-	13 729 260
Profit for the year	-	-	13 729 260	-	-	-	13 729 260
Transactions with owners recorded directly to equity	445 208	(440 683)	(10 537 574)	(754 174)	(46 788)	(2 133 080)	(13 467 091)
Share based payments	-	-	-	178 992	-	-	178 992
Settlement of equity share based payments in cash	-	-	-	(1 664 000)	-	-	(1 664 000)
Transfer between equity accounts	445 208	(445 208)	1 402 246	730 834	-	(2 133 080)	-
Dividend declared to equity holders	-	-	(11 939 820)	-	-	-	(11 939 820)
Acquisition of NAM shares by the Orban Street Trust	-	-	-	-	(144 075)	-	(144 075)
Staff Share options exercised	-	4 525	-	-	97 287	-	101 812
Balance as at 30 September 2021 (audited)	2 000 000	1 811 177	34 832 681	2 395 701	(9 357 288)	-	31 682 271
Comprehensive income for the year	-	-	10 779 210	-	-	-	10 779 210
Profit for the year	-	-	10 779 210	-	-	-	10 779 210
Transactions with owners recorded directly to equity	-	-	(11 575 282)	(722 995)	(455 486)	-	(12 753 763)
Share based payments	-	-	-	597 462	-	-	597 462
Staff Share options exercised	-	-	-	59 636	214 414	-	274 050
Transfer between equity accounts*	-	-	1 380 093	(1 380 093)	-	-	-
Acquisition of NAM shares by the NSST Trust	-	-	-	-	(669 900)	-	(669 900)
Dividend declared to equity holders	-	-	(12 955 375)	-	-	-	(12 955 375)
Balance as at 30 September 2022 (reviewed)	2 000 000	1 811 177	34 036 609	1 672 706	(9 812 774)	-	29 707 718

*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 GROUP ANNUAL FINANCIAL RESULTS FOR THE YEAR ENDED
30 SEPTEMBER 2022****CONDENSED GROUP STATEMENT OF CASH FLOWS**

	Reviewed 30 Sept 2022 N\$	Audited Restated 30 Sept 2021 N\$
Cash flows from operating activities		
Cash generated by operations*	16 690 888	11 374 854
Finance income	1 164 621	1 129 864
Income taxes paid	(4 969 650)	(5 701 482)
Net cash generated from operating activities*	12 885 859	6 803 236
Cash flow from investing activities		
Acquisitions of equipment to maintain operations	(551 072)	(72 261)
Proceeds from sale of computer equipment	2 500	-
Net cash used from investing activities	(548 572)	(72 261)
Cash flows from financing activities		
Dividend paid	(12 884 264)	(11 864 242)
Proceeds from staff share options exercised	274 050	101 812
Acquisition of staff shares	(669 900)	(144 075)
Repayment of interest-bearing borrowings - Capital	(386 468)	(1 990 621)
Repayment of interest-bearing borrowings - Interest	-	(35 973)
Repayment of lease liability - Capital	(903 254)	(803 179)
Repayment of lease liability - Interest	(207 866)	(259 538)
Net cash used from financing activities	(14 777 702)	(14 995 816)
Decrease in cash and cash equivalents	(2 440 415)	(8 264 841)
Cash and cash equivalents at the beginning of the period*	16 706 529	24 971 370
Cash and cash equivalents at the end of the period*	14 266 114	16 706 529

*Refer to note 8 for details of restatement.

NOTES TO THE REVIEWED CONDENSED GROUP ANNUAL FINANCIAL STATEMENTS

1. Reporting entity

Namibia Asset Management Ltd (the "Company") is a Company incorporated in Namibia. The condensed Group annual financial statements for the year ended 30 September 2022 comprise the Company and its subsidiaries (together referred to as the "Group").

2. Statement of compliance

These condensed Group annual 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 annual 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 annual financial statements were approved by the Board of Directors on 14 November 2022.

3. Significant accounting policies

The accounting policies applied by the Group in these condensed Group annual 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 2021.

No new or amended IFRS standards became effective for the year ended 30 September 2022 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 ANNUAL FINANCIAL STATEMENTS (CONTINUED)

4. Fair value disclosure (continued)

30 September 2022 (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	16 329 096	16 329 096
	22 329 096	22 329 096
30 September 2021 (audited restated)		
Financial assets mandatorily at fair value through profit or loss:		
- Marketable securities - statutory investments	6 000 000	6 000 000
- Marketable securities - additional investments	22 054 272	22 054 272
	28 054 272	28 054 272

5. Revenue from contracts with customers

Revenue comprises:

	30 Sept 2022 (reviewed)	30 Sept 2021 (audited)
	N\$	N\$
Segregated fund fees	72 060 067	74 771 214
Unit trust fund fees	18 208 770	16 174 481
	90 268 837	90 945 695

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

6. Reserve for own shares

Movement in Reserve for own shares	No. shares	N\$
At 1 October 2020	44 520 800	(9 310 500)
Acquisition of shares by the Orban Street Trust	227 500	(144 075)
Staff share options exercised	(452 500)	97 287
At 30 September 2021	44 295 800	(9 357 288)
Staff share options exercised	(1 015 000)	214 414
Acquisition of share by the NSST Trust	1 015 000	(669 900)
At 30 September 2022	44 295 800	(9 812 774)

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.

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

7. Related party transactions

No new significant related party transactions arose during the current period which differ in nature to those disclosed in the Group's annual financial statements for the year ended 30 September 2021.

8. Prior year restatement

The following items have been restated in the current period under review as they were incorrectly classified in the prior year.

Table 1: Statement of financial position for the year ended 30 September 2020

Group	Before restatement	NAM Coronation Strategic Income Fund investment ¹	After restatement
Details	N\$	N\$	N\$
Marketable securities - additional investments	9 038 884	11 042 092	20 080 976
Cash and cash equivalents	36 013 462	(11 042 092)	24 971 370

1 The NAM Coronation Strategic Income Fund investment was incorrectly classified as cash and cash equivalents in prior years. As such, the comparative has been restated to correct this error by decreasing the cash and cash equivalents and increasing the marketable securities - additional investment by N\$11 042 092.

Table 2: Statement of cash flows for the year ended 30 September 2021

Group	Before restatement	Movement in marketable securities ¹	Non-cash item: Gain on financial asset held at fair value through profit or loss ¹	NAM Coronation Strategic Income Fund investment ²	After restatement
Details	N\$	N\$	N\$	N\$	N\$
Cash generated by operations	10 934 841	684 906	(244 893)	-	11 374 854
Net cash generated from operating activities	6 363 223	684 906	(244 893)	-	6 803 236
Cash and cash equivalents at the beginning of the period	36 013 462	-	-	(11 042 092)	24 971 370
Fair value movement in cash and cash equivalents	244 893	-	(244 893)	-	-
Cash and cash equivalents at the end of the period	27 553 501	-	-	(10 846 972)	16 706 529

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

8. Prior year restatement (continued)

- 1 The NAM Coronation Strategic Income Fund investment was incorrectly classified as cash and cash equivalents in prior years. As such, the comparative has been restated to correct this error by decreasing the fair value movement in cash and cash equivalents and increasing the Non-cash item: Fair value movement in cash and cash equivalents by N\$244 893. The working capital changes has also increased by N\$684 906 for the movement in marketable securities relating to NAM Coronation Strategic Income Fund investment.
- 2 The NAM Coronation Strategic Income Fund investment was incorrectly classified as cash and cash equivalents in prior years. As such, the comparative has been restated to correct this error by decreasing the cash and cash equivalents and increasing the marketable securities - additional investment at FVTPL by N\$10 846 972 (30 September 2020: N\$11 042 092).

Table 3: Statement of financial position for the year ended 30 September 2021

Group	Before restatement	NAM Coronation Strategic Income Fund investment ¹	After restatement
Details	N\$	N\$	N\$
Marketable securities - additional investments	11 207 300	10 846 972	22 054 272
Cash and cash equivalents	27 553 501	(10 846 972)	16 706 529

- 1 The NAM Coronation Strategic Income Fund investment was incorrectly classified as cash and cash equivalents in prior years. As such, the comparative has been restated to correct this error by decreasing the cash and cash equivalents and increasing the marketable securities - additional investment by N\$10 846 972.

9. Events subsequent to the reporting date

The directors are not aware of any material events, occurring between 30 September 2022 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 ANNUAL FINANCIAL STATEMENTS (CONTINUED)

10. Earnings per share

	Reviewed 31 Sept 2022 N\$	Audited 30 Sept 2021 N\$
Earnings		
Earnings per share is based on basic earnings of:	10 779 210	13 729 260
Headline earnings per share is based on headline earnings of:	10 776 710	13 729 260
Reconciliation of basic earnings to headline earnings		
Basic earnings	10 779 210	13 729 260
Gain from disposal of computer equipment	(2 500)	-
Headline earnings attributable to ordinary shareholders	<u>10 776 710</u>	<u>13 729 260</u>
Weighted average number of ordinary shares in issue	155 704 200	155 704 200
Diluted weighted average number of ordinary shares in issue*	171 973 070	157 214 905
Reconciliation of statutory shares in issue to diluted ordinary shares in issue		
Authorised and issued shares	200 000 000	200 000 000
Treasury shares		
- Shares held by NAM Staff Share Trust	(2 067 500)	(2 067 500)
- Shares held by The Orban Street Trust	(42 228 300)	(42 228 300)
Weighted average number of shares in issue**	<u>155 704 200</u>	<u>155 704 200</u>
Effect of share options outstanding***	16 268 870	5 805 859
Diluted ordinary shares in issue	<u><u>171 973 070</u></u>	<u><u>161 510 059</u></u>
Basic earnings per share (cents)	6.92	8.82
Headline earnings per share# (cents)	6.92	8.82
Diluted earnings per share (cents)	6.27	8.50
Net asset value per share (cents)^	19.08	20.35

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

**After consolidation of treasury shares held

***Increase in the effect of share options outstanding due to share options awarded to management in the current year. Total share options awarded were 11 027 500 (2021: 5.2 million) at fair value of 33 cents (2021: 33 cents) per share option on grant date. The share options have no strike price.

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

**NOTES TO THE REVIEWED CONDENSED GROUP ANNUAL FINANCIAL
STATEMENTS (CONTINUED)**

10. Earnings per share (continued)

^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.