

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 2021

Overview

The global economic recovery continues, albeit unevenly, with a meaningful divergence in policy support and vaccine rollout across developed and emerging economies. The risk of new coronavirus variants, enduring inflation, the withdrawal of monetary and fiscal policy and rising geopolitical tensions make for uncertain times. In July 2021, Namibia was hit with a third wave of the pandemic, which resulted in stricter COVID-19-related restrictions. In October, a decision was made by government to relax the COVID-19 regulations for a period of 30 days, effective from 16 October 2021. While restrictions were not as drastic as those of the first wave, a few sectors continue to be impacted, particularly those exposed to hospitality and tourism. At the end of September 2021, only 7% of Namibians were fully vaccinated, with a further 11% having received their first jab of the vaccine. The slow vaccine uptake is concerning and will likely continue to deter the country's effort to fully return to economic normality, particularly for the hospitality sector.

Results

Key outcomes from NAM's reviewed results for the 12 months ended 30 September 2021 are as follows:

- Operating profit was down by 22.0% to N\$17.2 million (Sept 2020: N\$22.1 million).
- Earnings per share decreased by 14.3% to 8.39 cents (Sept 2020: 9.79 cents).

We are pleased that the results from our core business have not been impacted during the year. However, the decline in operating profit from the prior year is mainly as a result of one-off expenses in the current year. This included the impact of the vesting of a significant portion of shares held by employees as part of the long-term incentive scheme and additional VAT expense.

NAM's assets under management (AuM) as at 30 September 2021 were up by 9.41% to N\$18.6 billion (September 2020: N\$17.0 billion). While our institutional AuM increased by 9.46% to N\$16.2 billion (September 2020: N\$14.8 billion) our retail AuM increased by 9.09% to N\$2.4 billion (September 2020: N\$2.2 billion), due to modest inflows across the majority our unit trust funds and market performance.

Business update and corporate citizenship

NAM is one of the largest asset management companies in Namibia and has been in operation for 25 years. During this time, we have developed a portfolio of competitive and diversified investment products, meeting the needs of both retail and institutional clients.

Despite the numerous challenges brought about by the COVID-19 pandemic and the associated regulations, NAM has remained fully operational. During the reporting period, our employees worked mostly from home and we equipped them with the resources necessary to ensure that we continued to offer our clients and stakeholders the world-class service they have come to expect from the NAM team.

As part of our corporate social investment programme, our bursary scheme supported eleven students at various tertiary institutions, with financial support amounting to over N\$480,000. This brought our total commitment to the bursary scheme to N\$3.3 million since its inception eight years ago.

In addition to the provision of bursaries, NAM donated mattresses to the value of N\$50,000 to IK Tjimuhiva Combined School in the Omusati region. The donated mattresses will ease the dire need for bedding in the hostel where children have been sleeping on the floor due to lack of hostel equipment.

Governance

The Financial Institutions and Markets Act (FIMA) is expected to bring about various changes to our regulatory environment and the governance of financial services enterprises such as NAM. We are working hard to ensure that NAM achieves compliance with the FIMA. Our involvement in the work of the Namibia Savings and Investment Association regarding industry engagements with the Namibia Financial Institutions Supervisory Authority will be prioritised to ensure that the implementation of the FIMA will cause minimal disruption to the financial markets and the competitiveness of industry players.

The year under review was marked by the appointment of our CEO, Tarah Shaanika at the end of 2020. Tarah served as a non-executive director on the NAM board since 2015 and has an in-depth understanding of the Group. We also appointed Bullé Uisso, a Chartered Accountant, as CFO and company secretary. Bullé brings a wealth of knowledge and experience in financial management, having worked at one of the leading auditing firms and a local bank. We look forward to their contribution to the company in the foreseeable future.

Dividend

The Board resolved to declare an ordinary dividend of 7 cents per share (2020: 7 cents per share).

The salient dates are as follows:

Last day to trade:	26 November 2021
Ex-dividend:	29 November 2021
Record date:	03 December 2021
Payment date:	13 December 2021

Prospects

NAM remains committed to putting our clients first and remains focused on delivering strong investment returns over the long term. We are aware of uncertainties resulting from the ongoing COVID-19 pandemic and the shocks that it may still bring to economies around the world. However, our investment team will apply our proprietary research, active management and long-term investment philosophy to position our clients' portfolios to absorb any possible negative impact on market performances and take advantage of opportunities that may arise.

Our focus on integrating environmental, social and governance factors in our activities remains one of our top priorities and we continue to enhance our understanding of the implementation of these factors.

Overall, we are confident that with our excellent track record of managing resources prudently and our robust investment approach, NAM will continue to deliver value for all stakeholders.

External audit review

The external auditors, EY Namibia, have reviewed the condensed consolidated statement of the financial position of the Namibia Asset Management Limited Group as at 30 September 2021, and the related condensed consolidated statement of comprehensive income, changes in equity and cash flows for the year then ended, and other explanatory notes. 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.



A PILLAY
CHAIRMAN

12 November 2021



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
A RHODA*
(* 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: 12 November 2021

NAMIBIA ASSET MANAGEMENT LTD

**REVIEWED CONDENSED GROUP ANNUAL FINANCIAL RESULTS FOR THE YEAR ENDED
30 SEPTEMBER 2021**

CONDENSED GROUP STATEMENT OF COMPREHENSIVE INCOME

	Reviewed 30 Sept 2021 N\$	Audited 30 Sept 2020 N\$	%
			Change
Revenue (note 5)	90 945 695	99 721 719	(8.8%)
Other income	1 803 127	1 217 528	48.1%
Operating expenditure	(75 518 305)	(78 852 257)	(4.2%)
Operating profit	17 230 517	22 086 990	(22.0%)
Finance income	1 129 864	1 561 157	(27.6%)
Finance costs	(295 511)	(516 576)	(42.8%)
Profit before tax	18 064 870	23 131 571	(21.9%)
Taxation	(5 007 224)	(7 903 906)	(36.6%)
Profit attributable to ordinary shareholders	13 057 646	15 227 665	(14.3%)
Other comprehensive income			
Items which will not be reclassified subsequently to profit or loss			
Net change in fair value of financial assets designated at FVOCI (not subject to income tax)	671 614	165 425	306.0%
Other comprehensive income for the year	671 614	165 425	306.0%
Total comprehensive income for the year	13 729 260	15 393 090	(10.8%)
EARNINGS PER SHARE (cents)			
- Basic	8.39	9.79	(14.3%)
- Diluted	8.31	9.70	(14.4%)

NAMIBIA ASSET MANAGEMENT LTD

**REVIEWED CONDENSED GROUP ANNUAL FINANCIAL RESULTS FOR THE YEAR ENDED
30 SEPTEMBER 2021**

CONDENSED GROUP STATEMENT OF FINANCIAL POSITION

	Reviewed 30 Sept 2021 N\$	Audited 30 Sept 2020 N\$
ASSETS		
Non - current assets	11 082 299	12 133 756
Equipment	897 626	1 170 080
Right-of use asset	2 509 555	3 517 349
Marketable securities - statutory investments	6 000 000	6 000 000
Deferred tax	1 675 118	1 446 327
Current assets	71 850 281	74 914 678
Marketable securities*		
- Additional investments at FVOCI	2 810 769	2 133 080
- Additional investments at FVTPL	8 396 531	6 905 804
Trade and other receivables	32 184 786	29 423 106
Current tax asset	904 694	439 226
Cash and cash equivalents	27 553 501	36 013 462
TOTAL ASSETS	82 932 580	87 048 434
EQUITY AND LIABILITIES		
TOTAL EQUITY ATTRIBUTABLE TO ORDINARY SHAREHOLDERS	31 682 271	31 420 102
Issued capital	1 557 042	1 554 792
Share premium	2 251 860	2 251 860
Reserve for own shares	(9 355 013)	(9 310 500)
Share based payment reserve	2 395 701	3 149 875
Fair value reserve	2 804 694	2 133 080
Retained earnings	32 027 987	31 640 995
Non-current liabilities	1 982 278	5 388 151
Leased liability	1 982 278	3 003 206
Interest-bearing liabilities	-	2 384 945
Current liabilities	49 268 031	50 240 181
Shareholders for dividends	415 730	340 151
Lease liability - current portion	784 940	730 895
VAT payable	2 322 081	-
Trade and other payables	45 350 956	49 169 135
Interest-bearing liabilities	394 324	-
TOTAL EQUITY AND LIABILITIES	82 932 580	87 048 434

* Comparative amounts have been reclassified for improved disclosure purposes. Marketable securities held at FVOCI (Fair Value through Other Comprehensive Income) and FVTPL (Fair Value through Profit or Loss) have now been shown separately.

NAMIBIA ASSET MANAGEMENT LTD

REVIEWED CONDENSED GROUP ANNUAL FINANCIAL RESULTS FOR THE YEAR ENDED 30 SEPTEMBER 2021

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 30 September 2019	1 542 292	2 251 860	32 806 973	3 788 704	(9 579 250)	1 967 655	32 778 234
Comprehensive income for the year	-	-	15 227 665	-	-	165 425	15 393 090
Profit for the year	-	-	15 227 665	-	-	-	15 227 665
Other comprehensive income for the year	-	-	-	-	-	165 425	165 425
Transactions with owners recorded directly to equity	12 500	-	(16 393 643)	(638 829)	268 750	-	(16 751 222)
Share based payments	-	-	-	(638 829)	-	-	(638 829)
Dividends declared to equity holders	-	-	(16 393 643)	-	-	-	(16 393 643)
Staff options exercised	12 500	-	-	-	268 750	-	281 250
Balance as at 30 September 2020 (audited)	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	-	-	13 057 646	-	-	671 614	13 729 260
Profit for the year	-	-	13 057 646	-	-	-	13 057 646
Other comprehensive income for the year	-	-	-	-	-	671 614	671 614
Transactions with owners recorded directly to equity	2 250	-	(12 670 654)	(754 174)	(44 513)	-	(13 467 091)
Share based payments	-	-	-	178 992	-	-	178 992
Cash settled options	-	-	-	(1 664 000)	-	-	(1 664 000)
Transfer between equity accounts*	-	-	(730 834)	730 834	-	-	-
Dividends declared to equity holders	-	-	(11 939 820)	-	-	-	(11 939 820)
Acquisition of NAM shares by the Orban Street Trust	(2 275)	-	-	-	(141 800)	-	(144 075)
Share options exercised	4 525	-	-	-	97 287	-	101 812
Balance as at 30 September 2021 (reviewed)	1 557 042	2 251 860	32 027 987	2 395 701	(9 355 013)	2 804 694	31 682 271

*This equity transfer relates to the equity share based payment which was accrued for during the period and is to be settled in cash after year-end. The portion being transferred from retained earnings is the difference between the fair value of the equity option at settlement date and carrying amount of the vested equity option which was measured using grant date fair value.

NAMIBIA ASSET MANAGEMENT LTD

**REVIEWED CONDENSED GROUP ANNUAL FINANCIAL RESULTS FOR THE YEAR ENDED
30 SEPTEMBER 2021**

CONDENSED GROUP STATEMENT OF CASH FLOWS

	Reviewed 30 Sept 2021 N\$	Audited 30 Sept 2020 N\$
Cash flows from operating activities		
Cash generated by operations	11 778 613	31 601 241
Finance income	1 048 108	1 768 620
Taxation paid	(5 701 482)	(7 189 397)
Dividends paid	(11 864 237)	(16 306 931)
Net cash (used)/generated from operating activities	(4 738 998)	9 873 533
Cash flow from investing activities		
Acquisitions of equipment to maintain operations	(72 231)	(146 133)
Marketable securities (investments)	(1 978 503)	(3 090 404)
Marketable securities disinvestments	1 447 278	1 040 288
Net cash used from investing activities	(603 456)	(2 196 249)
Cash flows from financing activities		
Proceeds from staff share options exercised	101 812	281 250
Acquisition of staff shares	(144 075)	-
Repayment of interest-bearing liabilities	(1 884 580)	(2 072 409)
Interest paid on interest-bearing liabilities	(142 014)	(364 462)
Repayment of lease liability	(795 032)	(662 585)
Interest paid on lease liability	(253 618)	(334 465)
Net cash used from financing activities	(3 117 507)	(3 152 671)
(Decrease)/increase in cash and cash equivalents	(8 459 961)	4 524 613
Cash and cash equivalents at the beginning of the year	36 013 462	31 488 849
Cash and cash equivalents at the end of the year	27 553 501	36 013 462

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 financial statements for the year ended 30 September 2021 comprise the Company and its subsidiaries (together referred to as the "Group").

2. Statement of compliance

These condensed Group 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 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 12 November 2021.

3. Significant accounting policies

The accounting policies applied by the Group in these condensed Group financial statements are the same as those applied by the Group in its full Group financial statements as at and for the year ended 30 September 2020.

No new or amended IFRS standards became effective for the year ended 30 September 2021 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)

30 September 2021 (reviewed) *	Level 1	Total
	N\$	N\$
Financial assets designated at fair value through other comprehensive income:		
- Marketable securities - statutory investments	6 000 000	6 000 000
- Marketable securities - additional investments	2 810 769	2 810 769
Financial assets designated at fair value through profit or loss:		
- Marketable securities - additional investments	8 396 531	8 396 531
	17 207 300	17 207 300

30 September 2020 (audited)	Level 1	Total
	N\$	N\$
Financial assets designated at fair value through other comprehensive income:		
- Marketable securities - statutory investments	6 000 000	6 000 000
- Marketable securities - additional investments	2 133 080	2 133 080
Financial assets designated at fair value through profit or loss:		
- Marketable securities - additional investments	6 905 804	6 905 804
	15 038 884	15 038 884

*Comparative amounts have been reclassified for improved disclosure purposes. In the comparative periods, a portion of the marketable securities held at FVOCI (September 2020: N\$2 810 769) was erroneously reflected as at FVTPL. This wording and disclosure have now been corrected. This disclosure did not have any impact on any other areas of the financial statement line items or any other disclosures.

Management is of the view that the carrying amount of all other assets and liabilities approximates their fair value.

There were no transfers of financial instruments between levels during the period.

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

5. Revenue from contracts with customers

Revenue comprises:

	30 Sept 2021 (reviewed) N\$	30 Sept 2020 (audited) N\$
Segregated fund fees	74 771 214	84 084 543
Unit trust fund fees	16 174 481	15 637 176
	90 945 695	99 721 719

Revenue from segregated funds includes performance fees of N\$21 588 061(2020: N\$29 322 310). 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 2019	45 770 800	(9 579 250)
Share options exercised	(1 250 000)	268 750
At 30 September 2020	44 520 800	(9 310 500)
Acquisition of shares by the Orban Street Trust	227 500	(141 800)
Share options exercised	(452 500)	97 287
At 30 September 2021	44 295 800	(9 355 013)

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

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 2020.

8. Events subsequent to the reporting date

The directors are not aware of any material events, occurring between 30 September 2021 and the authorisation date of the announcement that would have an impact on these results.

The COVID-19 impact appears to continue unabated creating ongoing uncertainty in financial markets. This is of particular significance to the financial results of the Group since fee revenues, and related variable costs, are underpinned by the market valuation of AuM. There is no certainty regarding future movements in the financial markets, and the full economic impact of the pandemic is unknown at this stage.

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

We have performed various scenario and sensitivity analyses, and coupled with our business continuity plans, 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.

9. Earnings per share

	Reviewed 30 Sept 2021 N\$	Audited 30 Sept 2020 N\$
Earnings		
Earnings per share is based on basic earnings of:	13 057 646	15 227 665
Headline earnings per share is based on headline earnings of:	13 057 646	15 227 665
Reconciliation of basic earnings to headline earnings		
Basic earnings	13 057 646	15 227 665
Headline earnings attributable to ordinary shareholders	13 057 646	15 227 665
Weighted average number of ordinary shares in issue	155 704 200	155 479 200
Diluted weighted average number of ordinary shares in issue*	157 214 905	157 038 595
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)	(2 520 000)
- Shares held by The Orban Street Trust	(42 228 300)	(42 000 800)
Weighted average number of shares in issue**	155 704 200	155 479 200
Effect of share options outstanding	1 510 705	1 559 395
Diluted ordinary shares in issue	157 214 905	157 038 595

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

	Reviewed 30 Sept 2021 N\$	Audited 30 Sept 2020 N\$
	(cents)	(cents)
Basic earnings per share	8.39	9.79
Headline earnings per share#	8.39	9.79
Diluted earnings per share	8.31	9.70
Net asset value per share	15.84	15.71

* 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