

Stimulus Investments Limited
(Incorporated in the Republic of Namibia)
(Registration number: 2004/482)
(NSX Share code: SILP)
ISIN Code: NA000A1JN0Z7
("Stimulus")

AUDITED FINANCIAL RESULTS FOR THE YEAR ENDED 29 FEBRUARY 2024

Statement of Comprehensive Income for the year ended 29 February 2024	29 February 2024	28 February 2023
	N\$	N\$
Operating profit	76,792,013	84,376,863
(Loss) / Profit before taxation	(5,154)	18,455
Taxation	5,154	(18,455)
Profit for the period	0	0
Total comprehensive income for the period	0	0
Number of preference shares	4,650,786	4,650,786
NAV attributable to preference shares (cum dividend)	156.19	139.91

Company financial performance

During the period under review, Stimulus disposed of its investment in Namibia Media Holdings (Pty) Ltd and Newsprint Namibia (Pty) Ltd. These entities were held in Desert Trade Investments (Pty) Ltd ("DTI"), a 100% subsidiary of Stimulus, and the disposals were done at a value equal to the independent valuations of these investments as contained in the 2023 Annual Financial Statements. At balance sheet date, N\$12 million of the sales consideration was received by DTI and paid as dividends to Stimulus, while the remaining consideration remains outstanding and is payable by the purchaser over the ensuing 3 financial years.

The Stimulus portfolio of investments in subsidiaries and associates was valued by an independent valuator and the resulting fair value gain for 2024 amounts to N\$60.5 million (2023: N\$80.8 million). The Stimulus total assets under management amounted to N\$726.4 million (2023: N\$651.1 million). Stimulus invested an additional N\$5 million (2023: N\$0.6 million) within its portfolio during the year under review.

Dividend revenue from investee companies increased by 71% to N\$29.7 million (2023: N\$17.4 million) mainly due to the N\$12 million dividends from DTI pertaining to the partial proceeds from the sale of the shares in Namibia Media Holdings (Pty) Ltd and Newsprint Namibia (Pty) Ltd.

Finance costs stipulated in the Statement of Comprehensive Income comprise the net realised and unrealised portfolio returns which, based on the current portfolio valuations, would be due to the holders of Stimulus' listed preference shares. The preference shareholders are entitled to 100% of all net returns, realised and unrealised, in the company, as the minimum prescribed performance hurdle has not been met. After providing for dividends to be paid, approximately 4.0% (2023: 5.3%) of Stimulus' investment portfolio is made up of cash reserves.

Finance costs stipulated in the Statement of Cash Flows represent the preference share dividend of N\$3.5 million (2023: N\$84.5 million) paid in respect of the previous financial year. Based on the market value of the portfolio as at 29 February 2024, the net asset value ascribable to each preference share, cum dividend, is N\$156.19 (2023: N\$139.91). Following the payment of the dividend detailed below, this value will reduce to N\$152.17 (2023: N\$139.15) per preference share.

Stimulus holds equity investments in Cymot Group, Khomas Solar Saver (Pty) Ltd, Neo Paints Group, Plastic Packaging Group, Polyoak Namibia (Pty) Ltd, Walvis Bay Stevedoring (Pty) Ltd, as well as Desert Trade Investments that owned the investments in Namibia Media Holdings (Pty) Ltd and Newsprint Namibia (Pty) Ltd and still owns the properties occupied by these two entities. The investment portfolio is well positioned to capitalise on improvements in the Namibian economic environment and the potential upswing that may occur due to discoveries and developments in the Namibian energy sector. While the construction sector is still lagging the general economic recovery in Namibia, with a resulting impact on the performance of Stimulus' investment in the Neo Paints Group, the remaining portfolio companies have started to experience encouraging earnings growth.

Comparative figures

There were no material changes to comparative figures or re-classifications.

Final preference dividend

The directors have resolved that an amount of N\$ 18,696,160 (2023: N\$3,534,597) be declared as a final dividend to the preference shareholders, which translates into a dividend of N\$4.02 (2023: N\$0.76) per preference share based on 4,650,786 preference shares in issue. The preference dividend amount represents the total realised cash returns of Stimulus, after adjusting for fair value gains, for the financial year ended 29 February 2024.

The salient details of the dividend are:

Last day to trade: Thursday, 13 June 2024

Securities start trading ex-dividend: Friday, 14 June 2024

Last day to register: Friday, 21 June 2024

Payment date: Friday, 5 July 2024

Short form announcement

This short form announcement is the responsibility of the directors. It is only a summary of the information contained in the full announcement and does not contain full or complete details.

Any investment decision should be based on the full announcement accessible as of 28 May 2024, via the **NSX link: <https://senspdf.jse.co.za/documents/2024/nsx/isse/smsp/SILRes0224.pdf>**

Copies of the full announcement are available for inspection at the Company's registered office at no charge, weekdays during office hours.

Directors

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By order of the Board
28 May 2024

Sponsor

Cirrus Securities (Pty) Ltd
Registration Number: 98/463
Member of the Namibian Stock Exchange