

OHLTHAVER & LIST FINANCE AND TRADING CORPORATION LTD
Notes to the condensed interim consolidated
financial statements for the (continued)

	6 months ended 31 Dec 2021	6 months ended 31 Dec 2020	12 months ended 30 Jun 2021
<i>In thousands of Namibia Dollars</i>	Unaudited	Unaudited	Audited
Note 8 - Investment in associates			
Opening Balance	717 652	793 701	793 701
Acquisitions through business combination	0	0	7 002
Disposals	0	0	(14 003)
Equity (losses) gains	31 377	(87 638)	(70 200)
Share of OCI	0	0	4 953
Reclassification of associate	0	(7 049)	(3 801)
	749 029	699 014	717 652
Note 9 - Borrowings			
Non-current liabilities			
At amortised cost			
<i>Instalment sale creditors (secured)</i>			
- Bank Windhoek Ltd	75 349	69 202	54 695
- First National Bank of Namibia Ltd ¹	7 711	9 544	8 742
- Standard Bank of Namibia Ltd	20 899	26 600	25 112
- Nedbank Namibia Ltd	39 949	75 653	55 735
Less current portion	(44 619)	(71 052)	(50 484)
1 Inclusive of FirstRand Bank Ltd	99 289	109 947	93 800
<i>Mortgage bonds (secured)</i>			
- Agricultural Bank of Namibia	29 830	34 821	33 965
- Bank Windhoek Ltd	37 503	35 113	37 728
- First National Bank of Namibia Ltd ¹	916 129	940 171	917 066
- Standard Bank of Namibia Ltd	28 167	38 809	33 333
- Development Bank of Namibia Ltd	8 020	12 942	10 049
Less current portion	(959 989)	(54 746)	(947 637)
1 Inclusive of FirstRand Bank Ltd	59 660	1 007 110	84 504
<i>Redeemable Preference share capital (secured)</i>			
- Bank Windhoek Ltd	70 339	100 484	85 398
- Standard Bank of Namibia Ltd	0	24 726	0
- Less current portion	(8 784)	(37 850)	(32 898)
	61 555	87 360	52 500
<i>Medium Term Loans</i>			
- Promissory Notes (unsecured)	221 295	200 754	221 266
- Medium term loans (secured)	660 447	664 614	682 172
- Less current portion	(132 363)	(113 779)	(142 276)
	749 379	751 589	761 162
<i>Asset Financing Loan</i>			
- Nedbank (Commercial Annuity Loan)	255 638	241 785	261 177
- Less current portion	(20 498)	0	(35 488)
	235 140	241 785	225 689
	1 205 023	2 197 791	1 217 655
Current liabilities			
At amortised cost			
Instalment sale creditors	44 619	71 052	50 484
Mortgage bonds	959 989	54 746	947 637
Preference share capital	8 784	37 850	32 898
Asset Financing Loan	20 498	0	35 488
Other	132 363	113 779	142 276
Promissory Notes	5 481	106 868	1 266
Medium term loans	126 882	6 911	141 010
	1 166 253	277 427	1 208 783
Note 10 – Taxation			
Namibia-Deferred Taxation	11 948	21 944	(1 323)
Namibia Normal Taxation	(68 313)	(87 432)	(145 199)
Foreign - Normal taxation	(7 262)	(5 769)	(11 373)
	(63 627)	(71 257)	(157 895)

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Note 10 – Events subsequent to reporting date
Namibia Breweries Limited

Subsequent to year end (30 June 2021), Heineken N.V has entered into an implementation agreement with Distell Group Holdings Limited (DGHL) and Namibia Breweries Limited (NBL) to acquire OLFITRA's 50.01% stake in NBL Investment Holdings (Proprietary) Limited.

DGHL released a circular to shareholders on 17 January 2022. On 15 February DGHL shareholders voted in favour of the Distell Scheme as presented in the circular. Please visit DGHL investor site for further details.

Following the Distell Scheme vote, the NBL board approved the potential acquisition of the Distell Namibia companies, subject to minority shareholders' approval, on 3 March 2022. A circular to shareholders was issued on 25 March 2022 and shareholder voting will take place on 28 April 2022. Please visit NBL's investor hub at <https://nambrew.com/investor-hub> for further details.

Namibia Dairies

On 3 February 2019, a technical failure occurred at the Avis Plant of Namibia Dairies, resulting in the release of heavy furnace oil (HFO) from the boiler feeding system on site. Whilst the majority of the spill was contained on the site, some HFO released ended up in the Windhoek wastewater / sewerage system. City of Windhoek allege that Namibia Dairies is (solely) liable for secondary / downstream pollution caused following the spill, but management denied liability.

In November 2021, Namibia Dairies received a request for an environmental audit with regards to the oil spill that occurred in February 2019. The audit resulted in Namibia Dairies being issued with a summons on 18 January 2022 in the amount of N\$ 24.53 million with possible additional costs.

Group operational and financial review

Financial performance

The Group generated net revenue of N\$ 3.54 billion during the period under review, an increase of N\$ 275.61 million or 8.4% compared to the previous period. The revenue increase can be attributed to overall improved economic activity, mainly the easing of COVID-19 restrictions during the period under review compared to the comparative period. The Group generated an operating profit of N\$ 384.74 million compared to an operating profit of N\$ 260.30 million in the comparative period. Equity profit from equity accounted investments amounted to N\$ 31.38 million compared to a loss of N\$ 87.69 million in comparative period. The increase is mainly attributable to improved trading conditions in South Africa.

Beer and soft drinks

Namibia Breweries Limited (NBL) delivered a solid performance during the six-month period, characterized by two COVID-19 waves which brought with them a restricted trading environment. NBL's net profit for the six months ended 31 December 2021 increased by 71%, most notably as a result of improved trading conditions in South Africa resulting in greater production volumes to South Africa, increased royalty income and equity profits from Heineken SA.

NBL's Namibian volumes declined by 7.3% owing to lower trading than usual as a result of changes in consumer behavior as well as intense price competition and pervasive economic pressures.

Fresh Produce

Namibia Dairies

Namibia Dairies (Proprietary) Limited's turnover for the period was N\$ 374 million which is in line with the comparative period, with a decrease in volumes from 19 409 tons for the same period in the comparative period to 16 783 tons.

Discount and rebates amount to N\$27.6mil for the period which has decreased with 30% from the comparative period.

The operating profit for the period under review amounted to N\$ 5.4 million compared to an operating profit of N\$ 0.60 million in the comparative period.

The improvement in operating profit is as a result of improvement of Superfarm profitability as well as improved margins on products.

OHLTHAVER & LIST FINANCE AND TRADING CORPORATION LTD
Notes to the condensed interim consolidated financial statements (continued)

Group operational and financial review (continued)

Hartlief

Overall operating loss improved by 17.2% as a result of pricing and portfolio strategy. This resulted in a higher profitability despite a decline in year-on-year sales of 2.7%. Meat prices remain at an all-time high. This was partly countered by a price increase in October 2021. The Group recorded an operating loss of N\$ 10.7 million compared to an operating loss of N\$ 13.0 million in the comparative period.

Fishing

Hangana Seafood (Pty) Ltd reported revenue of N\$318.49 million (2020: N\$291.04 million) for the 6 months ended 31 December 2021. This was a N\$27.45 million (9.3%) increase from the comparative period. The increase is attributable to increased sales due to higher volumes landed and processed. The Group incurred an operating loss of N\$ 43.36 million in the current period compared to a profit of N\$ 65.56 million. This is due to high cost of quota due to increases in the usage fees, timing of catching own quota versus purchased quota and some challenges experienced with the move over to the new factory.

The newly constructed Hangana processing facility was operational from 8 November 2021.

Properties

Revenue for the O&L property portfolio increased by N\$ 0.88 million or 1% compared to comparative period. The retail sector has not yet recovered from the impact of the Covid-19 pandemic on the economy, which lead to increased vacancies, lower foot traffic as well as lower store turnovers and cash flow pressures for tenants. In addition to this, lease escalations were relatively flat and, in some instances, negative for the retail sector, with resultant impact on the property portfolio cashflows.

Though vacancies have increased year on year and some tenants have downsized, we are beginning to see increased interest in especially the Wernhil Park Shopping Mall retail space with some tenants requesting additional space and a couple of exciting new entrants to the retail market in Namibia.

Debtors' management has been a key focus area for the leadership team. Collections have improved for trading tenants but remain a challenge for old and legal debts. The provision for bad debts increased to N\$ 12.2 million (2021: N\$ 11.5 million).

Operating profit increased by N\$ 19.27 million or 32.8% when compared to comparative period mainly as a result of the year-on-year increase of N\$ 19.10 million in the fair value gain on the interest SWAP transaction of the RMB consolidated loan. Our continued focus on cost management resulted in lower operational spend which eased the revenue impact on operating profit.

Retail

Model PnP reported revenue for the 6 months period ended 31 December 2021 of N\$ 1,059 million, an increase of 6.7% compared to N\$ 992.78 million for the comparative period. Model PnP turned the operating loss into an operating profit of N\$ 8.74 million, compared to a loss of N\$ 1.52 million in the comparative period. Operating expenditure increased slightly over the comparative period.

Leisure

O&L Leisure (Proprietary) Limited's turnover for the period under review increased with N\$ 24.04 million or 62.4% from N\$ 38.53 million, when compared to the comparative period, the main reasons being the easing of restrictions, yielding on room rates and N\$ 19.80 million from the business Interruption insurance claim on Strand Hotel due to COVID-19.

Costs increased by N\$ 3.0 million (3.3%) from N\$ 90.90 million to N\$ 93.90 million for the period under review.

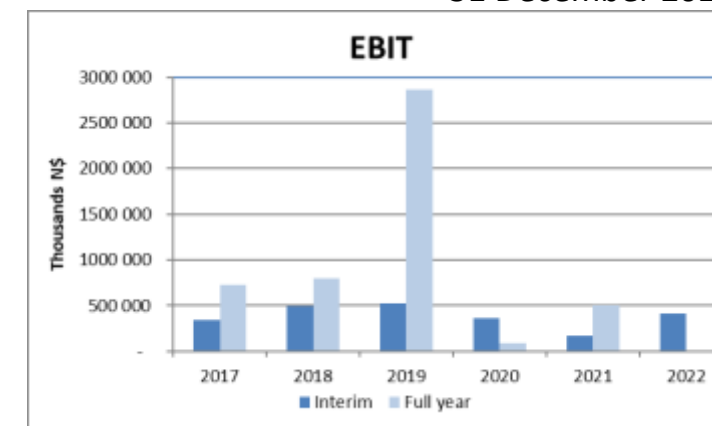
Prospects

The Group remains positive about the long-term prospects in the local market and expects economic recovery as Covid-19 restrictions are relaxed. The Group has shown its resilience, due to the diversified nature of the Group's operating segments and will continue to invest ahead of the curve.



Interim Condensed Consolidated Financial Statements

The unaudited interim condensed consolidated results of the Group for the period ended 31 December 2021



The interim condensed consolidated results of the Group were approved by the Board of Directors in Windhoek on 30 March 2022 and are signed on their behalf by:

S Thieme
Executive Chairman

H van der Westhuizen
CEO

Directors

S Thieme (Executive Chairman), H van der Westhuizen (CEO), UM Stritter, P Grüttemeyer, G Hanke, HH Müseler, B Mukuahima, WJ Oosthuizen#, E Ender *, Hon. Governor LV Mcleod Katjirua, G Shilongo, CGN Uushona, EP Shiimi, P Hoeksema (Alternate to S Thieme) # South African, * German

Secretaries

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Holding Company

The Company's immediate holding company is Ohlthaver & List Holdings (Proprietary) Limited. Sven Thieme Holdings (Proprietary) Limited is the holding company of Ohlthaver & List Holdings (Proprietary) Limited and the ultimate holding company of Ohlthaver & List Finance and Trading Corporation Limited.

