nictus

Summarised consolidated financial statements
for the year ended 31 March 2018

Overview

Summarised consolidated financial statements

Shareholder information

The summarised consolidated financial statements of Nictus Limited is a summary of the audited financial statements for the period 1 April 2017 to 31 March 2018. The summarised consolidated financial statements have not been independently assured. Mr Eckhart H Prozesky (financial director, CA(SA)) was responsible for supervising the preparation of these summarised consolidated financial statements.

The 2018 integrated annual report and financials statements is available on our website www.nictuslimited.co.za from 29 June 2018.

GROUP REVENUE

increased by **6,1%** to **R47,4 million**

(2017: R44,7 million)

GROUP TOTAL ASSETS

increased by **7,7%** to **R640,3 million**

(2017: R594,8 million)

INVESTMENT INCOME FROM OPERATIONS

increased by **12,2%** to **R42,5 million**

(2017: R37,9 million)

PROFIT FOR THE YEAR

decreased by **21,5%** to **R5,4 million**

(2017: R6,9 million)

DIVIDEND of **3,0 CENTS** per share DECLARED

(2017: 3,0 cents per share)

Milestones

1945 Nictus was founded

1955 The selling of new furniture under the Nictus brand name first commenced in Namibia

1969 Primary listed on the JSE on 1 July 1969, under general retailers, JSE code: NCS

1983 The first South African furniture outlet was established in Randburg

2002 Corporate Guarantee (South Africa) Limited was founded. The company has built up a client base throughout South Africa

2012 Since the 2012 unbundling of the Namibian operation, the South African group is making steady progress towards sustainable profit and growth with effective management being established in South Africa

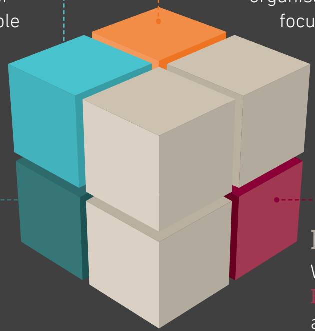
ABOUT Nictus

Vision

Nictus is an independent, diversified investment group that creates above average value for shareholders and other stakeholders, through sustainable growth.

Philosophy

Nictus has been successful in change initiatives. The challenge remains to reach a top level of EXCELLENCE throughout the organisation. The philosophy and core focus will be to drive EXCELLENCE in every aspect of the organisation and through this establish Nictus as a leading entity wherever we are present.



Core values

- Individual and collective ownership
- Teamwork
- Respect
- Adaptability
- Integrity
- Transparency
- Fanatical discipline

Mission

With a culture of EXCELLENCE and through a visionary and dynamic leadership we will achieve our vision through:

- Protecting our independence
- Expanding our business base in Southern Africa
- Growing a satisfied customer base
- Optimising all resources
- Being innovative and technology driven
- Being the preferred employer

"We are what we repeatedly do.
Excellence then, is not an act but a habit."

Aristotle (384 BC – 322 BC)

NICTUS GROUP IS A RETAILER OF HOUSEHOLD FURNITURE, ELECTRICAL APPLIANCES AND HOME ELECTRONICS SOLD THROUGH THE NICTUS FURNISHERS BRAND AS WELL AS A SHORT-TERM INSURER THROUGH THE CORPORATE GUARANTEE BRAND.

nictus

100% Insurance and finance SEGMENT

Corporate Guarantee (South Africa) Limited
www.corporateguarantee.co.za

The financial services division of the Nictus group is run through Corporate Guarantee, which brings a unique approach to short-term insurance through the alternative risk transfer model. The head office is currently situated in Randburg and utilises group administration staff.

The level of recurring sales in the insurance and finance segment is evidence of service satisfaction, trust and customer loyalty. We strive to create customised solutions that suit each of our client's needs, enabling our clients to become independent in managing their own risks, while building a sustainable foundation in creating wealth.

100% Furniture retail SEGMENT

Nictus Meubels Proprietary Limited
Kruben Holdings Proprietary Limited
www.nictusfurnishers.co.za

The group has three furniture retail stores in South Africa. Nictus places the customer first by continually striving towards EXCELLENCE. Helpful personnel provide service with dedication and motivation, while maintaining integrity, focus and sound values. Products are of the HIGHEST QUALITY and provide excellent value for money. Stores are situated in Louis Trichardt, Polokwane and Randburg.

The furniture retail segment is primarily focused on the expanding middle to higher income market in the living standards measurement (LSM) 7 category and above. The group has a recurring customer base in the areas that we operate in. Customers are predominantly from black communities.

Total number of employees
53

Please refer to the website for more information at www.nictuslimited.co.za

Board of directors,
EXECUTIVE MANAGEMENT AND COMPANY SECRETARY

1
Prof Johan Willemse
Independent non-executive chairman

2
Gerard Tromp
Executive group managing director and executive management

3
Eckhart Prozesky
Executive group financial director and executive management

4
Nico Tromp
Non-executive director

5
Philippus Tromp
Non-executive director

6
Gerard Swart
Independent non-executive director

7
John Mandy
Independent non-executive director

8
Willem Boshoff
Company secretary

9
Ion Gerber
Executive management: Insurance segment (prescribed officer)

Board of directors, executive management and company secretary continued

1

Prof Johan Willemse (63)

Independent non-executive chairman

Committees: Remuneration and nomination, audit and risk, investment *(chairman)*

Barend J Willemse (Johan) obtained his MCom (Economics) from the University of the Free State and his PhD (Agricultural Economics) from the University of Pretoria, for which he received the Protein Research Trust award for the best PhD. A Cochrane bursary to study at the Illinois University (USA) was awarded in 2003.

He received various awards for his work, which included two awards as the agricultural writer of the year, Absa/Sake economist of the year, the Animal Feed Manufacturers Association person of the year, agriculturalist of the year by the central region of Agricultural Writers Association and nominated as Bloemfonteiner of the year, 2009.

His experience includes: member of the National Agricultural Marketing Council, trustee of the Oilseeds and Protein Research Trust, chief economist of Agri SA and member of the SA Maize Board's management team, entrepreneur with his wife Marlene and two daughters in various businesses, including agri-business consulting, feed manufacturing and tourism. He was a full Professor at the Department of Agricultural Economics and chair for five years at the UFS. He served on Absa Group and Absa Bank boards for more than five years as an independent non-executive director and for three years as board member of Absa Financial Services Proprietary Limited (serving on various committees). He is currently involved with UFS Business School and teaching a course on scenario planning.

2

Gerard Tromp (37)

Executive group managing director and executive management

Committees: Social and ethics, investment

Gerard R de V Tromp has a BCom marketing degree and is a chartered accountant (South Africa and Namibia) and completed his articles in 2008. After completion of his articles he joined the group in 2009 as the group company secretary, which role he fulfilled until 2012. During 2012, he was appointed as the managing director of the furniture segment. During 2014, he was appointed as deputy managing director of the group. On 18 April 2016, he was appointed as managing director of the group.

3

Eckhart Prozesky (32)

Executive group financial director and executive management

Committees: Investment

Eckhart H Prozesky is a chartered accountant (South Africa) and completed his articles in 2011. After completion of his articles he joined the group in 2012 as the financial manager of the furniture segment. During 2015, he was appointed as the financial director of the group.

4

Nico Tromp (69)

Non-executive director

Nicolaas C Tromp (Nico) has a BCom degree. After completing his accounting articles in 1973, he joined the Nictus group and became the managing director of the group in 1979. He served as chairman of the Nictus group from 1998 until 2003. He is also a director/chairman of various other companies and has acted as a trustee of numerous trusts for the past 30 years. He stepped down as managing director of the group on 18 April 2016.

5

Philippus Tromp (42)

Non-executive director

Committees: Social and ethics *(chairman)*

Philippus J de W Tromp has a BEcon, EDP: USB; SMP: USB and was appointed as a non-executive director of Nictus Limited in 2012. He is currently the group managing director of Nictus Holdings Limited and has served the Nictus group for the past 15 years.

6

Gerard Swart (63)

Independent non-executive director

Committees: Remuneration *(chairman)*, audit and risk, social and ethics

Gerard Swart is a qualified chartered accountant (South Africa and Namibia) and boasts 34 years' experience in the accounting profession, of which 24 years as audit partner, during which he fulfilled the role of managing partner for 15 years.

7

John Mandy (72)

Independent non-executive director

Committees: Remuneration, audit and risk *(chairman)*

John D Mandy is a qualified chartered accountant (Namibia) and a fellow of the Chartered Secretaries of Southern Africa. He has a number of years of experience in senior executive roles at Pupkewitz Group Holdings, Namibian Harvest Investments Limited, Stocks and Stocks Properties and Arthur Andersen & Co. In addition, he occupied the position of chief executive officer of the Namibian Stock Exchange for a period of 10 years until the end of 2012. He was elected as an independent non-executive director and member and chairman of the audit and risk committee of Nictus Limited for the past five years.

8

Willem Boshoff (32)

Company secretary

Willem H Boshoff is a qualified chartered accountant (Namibia) and completed his articles in 2012. He fulfils the role of nominee group secretary of Veritas Board of Executors Proprietary Limited.

9

Ion Gerber (31)

Executive management: Insurance segment (prescribed officer)

Stephanus J Gerber (Ion) is a qualified chartered accountant (South Africa) and a member of executive management. He completed his articles in 2013, whereafter he joined the Nictus group and was appointed manager of the insurance segment in 2016.

Chairman's REPORT

THE PAST YEAR WAS A DIFFICULT YEAR FOR BUSINESS AND CORPORATE GOVERNANCE IN THE SOUTH AFRICAN ECONOMY, CORPORATE SCANDALS AND CORRUPTION IN STATE-OWNED ENTERPRISES REACHED A LEVEL NEVER SEEN BEFORE, WHILE TRADING CONDITIONS IN THE ECONOMY REMAINED DIFFICULT, DESPITE A SMALL POSITIVE ECONOMIC GROWTH RATE. CONSUMER SPENDING AND OUR CUSTOMER BASE IN FURNITURE AND INSURANCE HAD A DIFFICULT YEAR.

Prof Johan Willemse | *Chairman*

FORTUNATELY, INDICATIONS ARE THAT THE TIDE IS SLOWLY TURNING POSITIVE UNDER NEW POLITICAL LEADERSHIP, ALTHOUGH INSTABILITY REMAINS A FEATURE OF THE BUSINESS WORLD IN WHICH WE ARE OPERATING.

Despite higher taxes and an increase in value added tax, we remain optimistic that the economic outlook has improved for 2018/19 with lower interest rates and lower inflation and a strong increase in consumer confidence that will most probably translate into higher spending, stronger economic growth and a more favourable trading environment.

The corporate scandals during the past year and the lack of proper oversight and accountability have prompted all of us to be more vigilant and really focus with new concentration on the governance process and to ask the important and sometimes not so popular questions as the board, representing the stakeholders' interests. Given our corporate governance responsibility, we adhere to the King principles and are implementing King IV as we proceed, while also complying with the regulatory environment and sound accounting principles. The regulatory environment in the insurance industry remains onerous and adds costs, but we are diligent in fulfilling our reporting obligations and operating within the regulatory framework as we are not in the business to take shortcuts for a quick profit.

Your board continues to develop strategies with management and we believe that we will continue to build a strong and profitable business.

YOUR COMPANY REMAINED PROFITABLE DURING THE YEAR AND WE BELIEVE THAT WE ARE CONTINUING TO BUILD A STRONG FOUNDATION WITH STRONG LEADERSHIP AND EMPLOYEES AND APPROPRIATE INVESTMENTS IN NEW MANAGEMENT SYSTEMS TO FACILITATE FUTURE GROWTH AND TO REMAIN PROFITABLE AND GROW FUTURE PROFITABILITY WITH APPROPRIATE STRATEGY.

The fact that our share price remains substantially below net asset value continues to be a challenge and we will continue to build confidence in the business's future and sustainable profitability, which we believe will create value for shareholders and lower the discount to net asset value.

The furniture segment had a good profitable year, with low levels of bad debt, as credit selection is done according to strict criteria. We expect profitability to remain good, with sound management and a clear strategy. In the Insurance industry premiums were below budget, due to the difficult economic circumstances of our clients, but prospects are improving as the economic outlook improves and we continue to develop more flexibility in our product offering to suit clients' specific needs. The regulation in the insurance industry remains burdensome, as regulation keeps changing and we wait for the new Solvency Assessment and Management (SAM) regulations to be made law. We are complying with regulations and our solvability remains healthy and within regulatory prescriptions while we continue to strive for profitability.

I wish to thank the managing director and staff for their dedication and hard work, while the board members continue to fulfill the governance role with enthusiasm and due diligence. We will continue to strive to improve profitability within the regulatory and governance frameworks for the benefit of all stakeholders.

GROUP managing director's REPORT

THE PAST YEAR CAN POSSIBLY BE MARKED AS ONE OF THE MOST CHALLENGING GIVEN THE TURMOIL IN ECONOMIC AND POLITICAL ENVIRONMENTS INCLUDING CORPORATE SCANDALS AND CORRUPTION AT A LEVEL THAT CANNOT BE IMAGINED. PROFIT MARGINS ARE COMING MORE AND MORE UNDER PRESSURE IN THE EFFORT TO SERVICE THE END CONSUMER AND CREATING VALUE IN THE EVER-COMPETING ECONOMIC ENVIRONMENT.

Gerard Tromp | *Executive group managing director*

Creative ideas, exceptional focus on innovation, as well as keeping up with the high pace of change remains critical in maintaining a competitive advantage and providing an above average customer experience.

It remains a privilege to report on the operations and financial results of the group achieved during the past year, which illustrates the commitment of our employees as well as the loyalty of our esteemed customers and clients.

Corporate governance

Nictus remains committed to the highest standards of corporate governance, promoting a sound internal control environment. King IV has been implemented during the year under review. We look forward to the implementation of Solvency Assessment and Management (SAM) in the insurance industry as this transitional period has been cumbersome and costly. We remain a proud South African citizen, committed to conforming to all rules and regulations we are exposed to across the group in the hope of building an enduring and better South Africa.

Segmental performance

Insurance and finance segment

The insurance segment performed satisfactorily during the year although a decline in insurance income has occurred. Volatility in the economic environment played a major role and our insurance product achieved its full potential in assisting our clients to conquer tough economic times. Rates of return also came under pressure, especially during the second part of the financial year, although we remain conservative in our investment approach to ensure the preservation of capital. The Steinhoff debacle had a big impact on the returns achieved as the drop in their share price resulted in a loss of R0,861 million incurred. Despite the loss incurred, the investment income from operations increased by 12,2%. We continue to employ highly skilled personnel to ensure the full benefit of the product is explained to our clients, where a very sharp focus is maintained on excellent customer service and convenience. Development in technology as well as innovative, custom-made solutions remains a top priority in this segment.

Furniture segment

The furniture segment performed remarkably well compared to the prior year. We managed to achieve a growth of 19% in revenue which resulted in returning the segment to profitability for the year under review. In the effort of fulfilling customer needs and expectations, together with strong support from our suppliers, we are building a sustainable basis from which synergies and growth can be achieved. Although this industry remains very challenging and competitive, we position ourselves with ongoing longer-term strategies and continuously strive, to deliver the best priced and value for money products to our customers.

Outlook

Nictus maintained profitability for the past three years and wishes to grow this profitability on a sustainable basis. We are excited about the future of Nictus and South Africa and believe that focusing on the strategies we formulate and believe in, will result in the desired outcomes and milestones set.

Our philosophy remains to keep working on and formulating longer-term strategies and action plans, and putting these into action over time. We will maintain and enhance the group's exceptional value offering for its customers and clients and we look forward to capturing these synergies for the benefit of all policyholders, stakeholders and shareholders.

Although the coming year will bring further challenges economically as well as politically, I believe we are well positioned to face these conditions and look forward to converting these challenges into opportunities.

Appreciation

I would like to bring all glory to our loving and almighty God for continuously blessing this group. He is amidst our decision making and thought processes and we are humbled by His grace.

Furthermore, I would like to thank every customer, client and stakeholder for their trust and support in our brands as well as in our people. We will continue to strive for excellence, maintaining integrity at all levels throughout our group.

Lastly, I would like to thank the chairman and the members of the board for their vision, support and guidance, my family for unqualified support, as well as management and staff for their continued commitment in living the strategy of becoming a sought after wealth creator.

Summarised consolidated statement of financial position

at 31 March 2018

Figures in R'000	2018	2017
Assets		
Non-current assets		
Property, plant and equipment	**18 051**	17 629
Intangible assets	**118**	101
Investments	**11 340**	22 062
Deferred tax assets	**3 020**	1 424
Loans and receivables	**5 387**	3 668
	37 916	44 884
Current assets		
Inventories	**10 993**	11 284
Loans and receivables	**44 226**	44 766
Trade and other receivables	**358 645**	335 484
Investments	**98 809**	100 766
Cash and cash equivalents	**89 717**	57 603
	602 390	549 903
Total assets	**640 306**	594 787
Equity and liabilities		
Equity		
Stated capital	**48 668**	48 668
Revaluation reserve	**7 983**	7 983
Retained earnings	**46 076**	42 652
	102 727	99 303
Liabilities		
Non-current liabilities		
Deferred tax liabilities	**2 400**	2 398
	2 400	2 398
Current liabilities		
Trade and other payables	**10 974**	10 837
Insurance contract liability	**524 193**	482 180
Current tax payable	**12**	69
	535 179	493 086
Total liabilities	**537 579**	495 484
Total equity and liabilities	**640 306**	594 787

Summarised consolidated statement of profit or loss and other comprehensive income

for the year ended 31 March 2018

Figures in R'000	2018	2017
Revenue	**47 361**	44 651
Cost of sales	**(26 470)**	(21 628)
Gross profit	**20 891**	23 023
Other income	**2 259**	2 117
Investment income from operations	**42 505**	37 884
Operating expenses	**(48 258)**	(43 991)
Administrative expenses	**(17 128)**	(16 805)
Results from operating activities	**269**	2 228
Investment income	**4 601**	4 841
Profit before taxation	**4 870**	7 069
Taxation credit/(expense)	**542**	(178)
Profit for the year	**5 412**	6 891
Other comprehensive income	**–**	–
Total comprehensive income for the year	**5 412**	6 891
Profit attributable to:		
Owners	**5 412**	6 891
	5 412	6 891
Total comprehensive income attributable to:		
Owners	**5 412**	6 891
	5 412	6 891
Basic earnings per share (cents)	**8,17**	10,40
Diluted basic earnings per share (cents)	**8,17**	10,40

Summarised consolidated statement of changes in equity

for the year ended 31 March 2018

Figures in R'000	Stated capital	Revaluation reserve	Retained earnings	Total equity
Balance at 1 April 2016	48 668	7 983	37 749	94 400
Total comprehensive income for the year				
Profit for the year	–	–	6 891	6 891
Total comprehensive income for the year	–	–	6 891	6 891
Transactions with the owners of the company				
Distributions to the owners of the company				
Dividends paid	–	–	(1 988)	(1 988)
Total transactions with the owners of the company	–	–	(1 988)	(1 988)
Balance at 31 March 2017	48 668	7 983	42 652	99 303
Total comprehensive income for the year				
Profit for the year	**–**	**–**	**5 412**	**5 412**
Total comprehensive income for the year	**–**	**–**	**5 412**	**5 412**
Transactions with the owners of the company				
Distributions to the owners of the company				
Dividends paid	**–**	**–**	**(1 988)**	**(1 988)**
Total transactions with the owners of the company	**–**	**–**	**(1 988)**	**(1 988)**
Balance at 31 March 2018	**48 668**	**7 983**	**46 076**	**102 727**

Summarised consolidated statement of cash flows

for the year ended 31 March 2018

Figures in R'000	2018	2017
Cash flows from operating activities		
Cash utilised by operations	**(23 070)**	(41 680)
Investment income received from operations	**40 709**	36 728
Dividends received	**1 796**	1 156
Dividends paid	**(1 988)**	(1 988)
Tax paid	**(1 109)**	(592)
Net cash generated from/(utilised by) operating activities	**16 338**	(6 376)
Cash flows from investing activities		
Acquisition of property, plant and equipment	**(875)**	(965)
Proceeds on sale of property, plant and equipment	**–**	115
Acquisition of intangible assets	**(145)**	–
(Acquisition)/disposal of investments	**(35 126)**	17 949
Investment income received	**4 601**	4 841
Short-term funds disinvested/(invested)	**46 781**	(77 778)
Loans repaid by related party	**540**	1 702
Proceeds on disposal of subsidiary	**–**	7
Net cash generated from/(utilised by) investing activities	**15 776**	(54 129)
Total cash movement for the year	**32 114**	(60 505)
Total cash sold by subsidiary for the year	**–**	(4)
Cash and cash equivalents at the beginning of the year	**57 603**	118 112
Total cash and cash equivalents at the end of the year	**89 717**	57 603

Reconciliation between earnings and headline earnings

for the year ended 31 March 2018

Figures in R'000	Profit on ordinary activities	Taxation	Net profit
Reconciliation between earnings and headline earnings:			
2018			
Profit for the year	**4 870**	**542**	**5 412**
Adjustments for:			
Loss on disposal of property, plant and equipment	**6**	**(2)**	**4**
Headline earnings	**4 876**	**540**	**5 416**
2017			
Profit for the year	7 069	(178)	6 891
Adjustments for:			
Profit on disposal of property, plant and equipment	(24)	7	(17)
Profit on disposal of subsidiary	(3)	1	(2)
Loss on scrapping of property, plant and equipment	69	(19)	50
Headline earnings	7 111	(189)	6 922

	2018	2017
Headline earnings per share (cents)	**8,17**	10,45
Diluted headline earnings per share (cents)	**8,17**	10,45

Summarised segmental report

for the year ended 31 March 2018

Figures in R'000	2018	2017
Segment assets		
Furniture retail	**70 391**	62 793
Insurance and finance	**609 636**	563 378
	680 027	626 171
Head office and eliminations	**(39 721)**	(31 384)
	640 306	594 787
Segment revenue		
Furniture retail	**43 543**	36 712
Insurance and finance	**5 150**	9 416
	48 693	46 128
Head office and eliminations	**(1 332)**	(1 477)
	47 361	44 651
Net profit/(loss) for the year		
Furniture retail	**1 168**	(1 156)
Insurance and finance	**1 896**	2 127
	3 064	971
Head office and eliminations	**2 348**	5 920
	5 412	6 891

Notes to the financial information

for the year ended 31 March 2018

1. Statement of compliance

The summarised consolidated financial statements are prepared in accordance with the requirements of the JSE Limited Listings Requirements for abridged reports and the requirements of the Companies Act of South Africa applicable to summarised financial statements. The Listings Requirements require abridged reports to be prepared in accordance with the framework concepts and the measurement and recognition requirements of International Financial Reporting Standards (IFRS) and the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and financial pronouncements as issued by the Financial Reporting Standards Council and to also, as a minimum, contain the information required by IAS 34 Interim Financial Reporting.

The accounting policies applied in the preparation of the consolidated financial statements, from which the summarised consolidated financial statements were derived, are in terms of International Financial Reporting Standards and are consistent with the accounting policies applied in the preparation of the previous consolidated annual financial statements.

These summarised consolidated financial statements are extracted from the audited financial statements for the year ended 31 March 2018 but are not audited. KPMG Inc. audited the financial statements for the year ended 31 March 2018 and their unmodified audit report is available for inspection at the registered office of Nictus.

2. Directors' responsibility

The directors take full responsibility of the preparation of the summarised consolidated financial statements, and that the financial information has been correctly extracted from the underlying audited financial statements for the year ended 31 March 2018.

3. Basis of measurements

The summarised consolidated financial statements have been prepared on the historical cost basis, except for the following material items in the statement of financial position:

- Land and buildings are measured at revalued amounts; and
- Financial instruments classified at fair value through profit or loss are measured at fair value.

The summarised consolidated financial statements are presented in thousands of South African Rands (R'000).

4. Related parties

During the period, certain companies within the group entered into transactions with each other. These intra-group transactions have been eliminated on consolidation. Related party information is unchanged from that reported at 31 March 2018. Refer to the 2018 audited financial statements for further information.

5. Events after reporting date

There were no events after the reporting date and up to the date of approval of these summarised consolidated financial statements that affected the presentation of the consolidated and separate financial statements for the year ended 31 March 2018, other than that a dividend of 3,00 cents per share was declared by the directors subsequent to year end, payable to shareholders registered on 20 July 2018, and the resignation of Andries J Kruger as independent non-executive director, effective 1 April 2018.

6. Determination of fair values

A number of the group's accounting policies and disclosures require the determination of fair value, for both financial and non-financial assets and liabilities. Fair values have been determined for measurement and/or disclosure purposes based on the following methods. When applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability in the audited financial statements.

Property, plant and equipment

The fair value of land and buildings is estimated by using a combination of the income capitalisation method and the depreciated replacement value method. This method requires the net annual income generated by the property, based on market trends, to be capitalised at an appropriate rate of return to reflect risk, specific investment demands and the overall condition of the structures.

Investments in equity, debt securities and unit trusts

The fair value of financial assets at fair value through profit or loss is determined by reference to their quoted closing market price at the reporting date.

The fair values of the financial assets were determined as follows:

- The fair values of listed or quoted investments are based on the quoted closing market price;
- The fair values of debt securities are based on the quoted closing market price as reflected on the Bond Exchange of South Africa. The securities are regularly traded on the active market; and
- The fair values of the unit trust investments are based on the quoted put (exit) price provided by the fund manager.

Trade and other receivables

The fair value of trade and other receivables is estimated as the present value of future cash flows, discounted at the market rate of interest at the reporting date. The carrying amount of short-term trade and other receivables at amortised cost is believed to approximate their fair values.

Non-derivative financial liabilities

Fair value, which is determined for disclosure purposes, is calculated based on the present value of future principal and interest cash flows, discounted at the market rate of interest at the reporting date.

Interest-bearing loans and borrowings and loans to group companies

Fair value is calculated based on the present value of future principal and interest cash flows, discounted at the market rate of interest at the reporting date. The interest rate used for determining the fair value is the prime interest rate.

Trade and other payables

All trade and other payables are of a short-term nature and the carrying value of trade and other payables at amortised cost is believed to approximate their fair value.

Cash and cash equivalents

The cash and cash equivalents held by the group are of a short-term nature and the fair value of positive bank balances and bank overdrafts is deemed to approximate the carrying amount.

6.1 Fair value of land and buildings

Land and buildings, which consist of a business premises situated on erf 2134, Ferndale, Johannesburg, are independently valued on a ad-hoc basis. The previous independent valuation was completed on 31 March 2017. The property was valued by the company's directors at 31 March 2018. The company's directors value the group's property on an annual basis. An external, independent valuation company, having appropriate recognised professional qualifications and recent experience in the locations and category of property being valued, also provides supporting information used in the annual directors' valuation process.

Notes to the financial information continued

for the year ended 31 March 2018

6. Determination of fair values continued

6.1 Fair value of land and buildings continued

The fair values are based on valuations and other market information that take into consideration the estimated rental value and depreciated replacement value of the property. A market yield is applied to the estimated rental value to arrive at the gross property valuation. The valuation was based on a combination of the income capitalisation method and the depreciated replacement value for existing use. The directors have assessed the residual value of the properties at 31 March 2018 and calculated that the residual value approximates the current carrying value. No depreciation has therefore been recognised in the current or prior period in respect of the property.

Figures in R'000	Level 1	Level 2	Level 3	Total
Land and buildings – 2018	–	–	**16 146**	**16 146**
Land and buildings – 2017	–	–	16 146	16 146

The valuation techniques to fair value assets and liabilities in Level 3:

Assets	Method	Major assumptions
Land and buildings	Income capitalisation method	Capitalisation rate Rental per square metre per Rhode report Vacancy factor

Figures in R'000	Land and buildings
Reconciliation of land and buildings at fair value in Level 3	
Balance 1 April 2017	**16 146**
Fair value measurements	–
Balance at 31 March 2018	**16 146**

Sensitivity analysis

Land and buildings

Presented in the tables below is an analysis of the impact on the fair value of the property, per valuation method, for changes in the key valuation assumptions:

Figures in R'000	Capitalisation rate		
Income capitalisation method (%)	8,29	9,29	10,29
Rental (10% decrease)	14 900	13 300	12 000
Rental (Rate per Rhode report)	17 800	15 900	14 400
Rental (10% increase)	20 700	18 500	16 700

6. Determination of fair values continued

6.1 Fair value of land and buildings continued

Sensitivity analysis continued

Land and buildings continued

Figures in R'000	Depreciation factor		
Depreciated replacement cost method (%)	65,00	70,00	75,00
Building costs (3% decrease)	18 000	16 300	14 700
Building costs (Rate per AECOM's African Property and Construction Handbook of 2017)	18 300	16 600	15 000
Building costs (3% increase)	18 700	16 900	15 200

The valuation for the financial year ended 31 March 2018 was based on a combination of the income capitalisation method and the depreciated replacement value for existing use. A 50% contribution rate per method was deemed appropriate by the directors.

The difference between the directors' valuation, R16,250 million, and the value attributed to the property in these summarised consolidated financial statements, R16,146 million, was considered but not deemed to be material to warrant an adjustment in fair value.

6.2 Fair value hierarchy of financial assets at fair value through profit or loss

For financial assets recognised at fair value, disclosure is required of a fair value hierarchy which reflects the significance of the inputs used to make the measurements. Unit trusts consist of investments in collective investment schemes, the valuation technique is based on quoted put (exit) price provided by the relevant fund managers. The only observable inputs with regard to unit trusts are the closing units and closing price. There were no transfers between the levels for the reporting period.

Level 1: Quoted market price in an active market for an identical instrument.

Level 2: Valuation techniques based on observable inputs either directly (i.e. as prices) or indirectly (i.e. derived from prices). This category includes instruments valued using quoted market prices in active markets for similar instruments; quoted prices for identical or similar instruments in markets that are considered less than active; or other valuation techniques where all significant inputs are directly or indirectly observable from market data.

Level 3: Valuation techniques using significant unobservable inputs. This category includes all instruments where the valuation techniques include inputs not based on observable data and the unobservable inputs have a significant effect on the instrument's valuation.

Notes to the financial information continued

for the year ended 31 March 2018

6. Determination of fair values continued

6.2 Fair value hierarchy of financial assets at fair value through profit or loss continued

Figures in R'000	2018	2017
Level 1		
Listed shares	**11 340**	12 967
Listed debt securities	**1 998**	1 988
Unit trusts*	**–**	7 107
	13 338	22 062

** The prior year unit trust investment consisted of an investment in a collective investment scheme, of which the majority of the underlying investments constituted listed equity investments. These unit trusts were disposed of during the current financial year.*

Figures in R'000	2018	2017
Level 2		
Unit trusts	**42 826**	–
	42 826	–

6.3 Financial assets by category

The accounting policies for financial assets have been applied to the line items below:

Figures in R'000	Loans and receivables at amortised cost	Fair value through profit or loss – designated	Total
2018			
Loans and receivables	**49 613**	**–**	**49 613**
Investments	**–**	**56 164**	**56 164**
Trade receivables	**357 497**	**–**	**357 497**
Investments – short-term deposits	**53 985**	**–**	**53 985**
Cash and cash equivalents	**89 717**	**–**	**89 717**
	550 812	**56 164**	**606 976**

6. Determination of fair values continued

6.3 Financial assets by category continued

Figures in R'000	Loans and receivables at amortised cost	Fair value through profit or loss – designated	Total
2017			
Loans and receivables	48 434	–	48 434
Investments	–	22 062	22 062
Trade receivables	334 329	–	334 329
Investments – short-term deposits	100 766	–	100 766
Cash and cash equivalents	57 603	–	57 603
	541 132	22 062	563 194

The carrying amounts of the financial assets at amortised cost approximate their fair values.

6.4 Financial liabilities by category

The accounting policies for financial liabilities have been applied to the line items below:

Figures in R'000	Financial liabilities at amortised cost	Total
2018		
Trade and other payables	**10 368**	**10 368**
2017		
Trade and other payables	10 467	10 467

The carrying amounts of the financial liabilities at amortised cost approximate their fair values.

Notice of annual general meeting

NICTUS LIMITED
(Nictus or the company)
(Incorporated in the Republic of South Africa)
Registration number RSA: 81/011858/06
Registration number NAM: 781/11858
JSE share code: NCS
ISIN number: NA0009123481

Notice is hereby given that the annual general meeting of the shareholders of Nictus will be held in the boardroom, Nictus Building, corner of Pretoria and Dover Street, Randburg, on Wednesday, 22 August 2018 at 12:00 (SA time), to deal with the business as set out below and to consider and, if deemed appropriate, pass the ordinary and special resolutions set out in this notice.

1. Record date

The board of directors of the company has determined that the record date in terms of section 59(1) of the Companies Act of South Africa (the Companies Act) for the purpose of determining which shareholders of the company are entitled to receive notice of the annual general meeting is Friday, 15 June 2018 and the record date for purposes of determining which shareholders of the company are entitled to participate in and vote at the annual general meeting is Friday, 17 August 2018. Accordingly, only shareholders who are registered in the register of members of the company, or their proxies, on Friday, 17 August 2018 will be entitled to participate in the meeting.

2. General purpose of the annual general meeting

The general purpose of the annual general meeting is to:

2.1 consider and, if deemed fit, pass with or without modification the resolutions set out hereunder; and

2.2. deal with any business that may lawfully be dealt with at the annual general meeting.

3. Presentation of group annual financial statements and annual financial statements

The consolidated audited annual financial statements of the company and its subsidiaries, incorporating the reports of the auditor, the audit and risk committee and the directors for the year ended 31 March 2018, will be presented to shareholders as required in terms of section 30(3)(d) of the Companies Act of South Africa.

4. Resolutions for consideration and approval

4.1. Ordinary resolution 1: re-election of Gerard R de V Tromp as a director

"Resolved that Gerard R de V Tromp be and is hereby re-elected as a director of the company."

In order for this ordinary resolution number 1 to be passed, the support of more than 50% (fifty per cent) of the voting rights exercised on the resolution by shareholders present in person, or represented by proxy, at the annual general meeting is required.

A brief *curriculum vitae* is set out on page 6.

4.2. Ordinary resolution 2: re-election of Eckhart H Prozesky as a director

"Resolved that Eckhart H Prozesky be and is hereby re-elected as a director of the company."

In order for this ordinary resolution number 2 to be passed, the support of more than 50% (fifty per cent) of the voting rights exercised on the resolution by shareholders present in person, or represented by proxy, at the annual general meeting is required.

A brief *curriculum vitae* is set out on page 6.

4.3 Ordinary resolution 3: re-election of Barend J Willemse (Johan) as a director

"Resolved that Barend J Willemse be and is hereby re-elected as a director of the company."

In order for this ordinary resolution number 3 to be passed, the support of more than 50% (fifty per cent) of the voting rights exercised on the resolution by shareholders present in person, or represented by proxy, at the annual general meeting is required.

A brief *curriculum vitae* is set out on page 6.

4.4 Ordinary resolution 4: approval of remuneration policy

"Resolved to approve, by way of a non-binding, advisory vote, the remuneration policy of the company as set out on page 132 of the 2018 integrated annual report of which this notice forms part."

In order for this ordinary resolution number 4 to be passed, the support of more than 50% (fifty per cent) of the voting rights exercised on the resolution by shareholders present in person, or represented by proxy, at the annual general meeting is required.

4.5 Ordinary resolution 5: approval of remuneration implementation report

"Resolved to approve, by way of a non-binding, advisory vote, the remuneration implementation report of the company as set out on page 39 of the 2018 integrated annual report of which this notice forms part."

In order for this ordinary resolution number 5 to be passed, the support of more than 50% (fifty per cent) of the voting rights exercised on the resolution by shareholders present in person, or represented by proxy, at the annual general meeting is required.

4.6 Ordinary resolution 6: re-election of John D Mandy as a member of the audit and risk committee

"Resolved that John D Mandy, a director of the company, who fulfils the requirements contemplated in section 94(4) of the Companies Act of South Africa, be and is hereby re-elected as a member of the audit and risk committee of the company, to hold office until the conclusion of the next annual general meeting of the company."

In order for this ordinary resolution number 6 to be passed, the support of more than 50% (fifty per cent) of the voting rights exercised on the resolution by shareholders present in person, or represented by proxy, at the annual general meeting is required.

4.7 Ordinary resolution 7: re-election of Barend J Willemse (Johan) as a member of the audit and risk committee

"Resolved that Barend J Willemse, a director and chairman of the board of the company, who fulfils the requirements contemplated in section 94(4) of the Companies Act of South Africa, be and is hereby re-elected as a member of the audit and risk committee of the company, to hold office until the conclusion of the next annual general meeting of the company."

In order for this ordinary resolution number 7 to be passed, the support of more than 50% (fifty per cent) of the voting rights exercised on the resolution by shareholders present in person, or represented by proxy, at the annual general meeting is required. Shareholders' attention is specifically drawn to the dual role of Barend J Willemse, being an independent non-executive chairman of the board and also a member of the audit and risk committee.

Notice of annual general meeting continued

4.8 Ordinary resolution 8: re-election of Gerard Swart as a member of the audit and risk committee

"Resolved that Gerard Swart, a director of the company, who fulfils the requirements contemplated in section 94(4) of the Companies Act of South Africa, be and is hereby re-elected as a member of the audit and risk committee of the company, to hold office until the conclusion of the next annual general meeting of the company."

In order for this ordinary resolution number 8 to be passed, the support of more than 50% (fifty per cent) of the voting rights exercised on the resolution by shareholders present in person, or represented by proxy, at the annual general meeting is required.

4.9 Ordinary resolution 9: re-appointment of John D Mandy as chairman of the audit and risk committee

"Resolved that John D Mandy, a director of the company, who fulfils the requirements contemplated in section 94(4) of the Companies Act of South Africa, be and is hereby re-elected as the chairman of the audit and risk committee of the company, to hold office until the conclusion of the next annual general meeting of the company."

In order for this ordinary resolution number 9 to be passed, the support of more than 50% (fifty per cent) of the voting rights exercised on the resolution by shareholders present in person, or represented by proxy, at the annual general meeting is required.

4.10 Ordinary resolution 10: re-appointment of KPMG as auditors

"Resolved that, on recommendation of the audit and risk committee of the company, KPMG Incorporated (Riaan D Kok being the designated audit partner of KPMG) be and is hereby re-appointed as auditors of the company (the designated auditor meeting the requirements of section 90(2) of the Companies Act of South Africa), to hold office until the conclusion of the next annual general meeting of the company."

In order for this ordinary resolution number 10 to be passed, the support of more than 50% (fifty per cent) of the voting rights exercised on the resolution by shareholders present in person, or represented by proxy, at the annual general meeting is required.

4.11 Ordinary resolution 11: authority to issue ordinary shares

"Resolved that the board of directors be and is hereby authorised by way of a general authority to issue at its discretion up to 15% (fifteen per cent (27 559 509 shares)) of the authorised but unissued ordinary shares in the company from time to time, whether created before or after the passing of this resolution, and/or to grant options to subscribe for such 15% (fifteen per cent) of the authorised but unissued shares from time to time, for such purposes and on such terms and conditions as they may determine, provided that such transaction(s) has/have been approved by the JSE Limited and are subject to the JSE Listings Requirements, the Companies Act of South Africa and the following conditions, namely that:

4.11.1 this authority shall only be valid until the next annual general meeting of the company but shall not extend beyond 15 (fifteen) months from the date of this meeting;

4.11.2 the issue of the shares must be made to persons qualifying as public shareholders as defined in the JSE Listings Requirements;

4.11.3 the shares which are the subject of the issue:

4.11.3.1 must be of a class already in issue, or where this is not the case, must be limited to such shares or rights that are convertible into a class already in issue;

4.11.3.2 shall not exceed 5% (five per cent) of the number of the company's issued ordinary shares in aggregate in any one financial year (including the number of any shares that may be issued in future arising out of the issue of options); and

4.11.3.3 that a paid press announcement giving full details, including the impact of the issue on net asset value, net tangible asset value, earnings and headline earnings per share and if applicable, diluted earnings and diluted headline earnings per share, be published after any issue representing, on a cumulative basis within one financial year, 5% (five per cent) of the number of shares in issue prior to the issue concerned;

4.11.4 in determining the price at which an issue of shares for cash will be made in terms of this authority, the maximum discount permitted shall be 10% (ten per cent) of the weighted average traded price of the ordinary shares on the JSE, measured over the 30 (thirty) business days prior to the date that the price of the issue is agreed between the company and the party subscribing for the shares; and

4.11.5 separately, such shares as have been reserved to be issued by the company in terms of its share and other employee incentive schemes."

In order for this ordinary resolution number 11 to be passed, the support of more than 75% (seventy-five per cent) of the voting rights exercised on the resolution by all equity shares holders (as defined in the JSE Listings Requirements) present in person, or represented by proxy, at the annual general meeting is required.

4.12 Ordinary resolution 12: signing authority

"Resolved that each director, or the secretary of the company, be and is hereby authorised to do all such things and sign all such documents as may be necessary for, or incidental to the implementation of the resolutions passed at the annual general meeting of the company and set out in this notice."

In order for this ordinary resolution number 12 to be passed, the support of more than 50% (fifty per cent) of the voting rights exercised on the resolution by shareholders present in person, or represented by proxy, at the annual general meeting is required.

4.13 Special resolution 1: approval of directors' remuneration

"Resolved that the company be and is hereby authorised to pay remuneration to its directors for their services as directors, as contemplated

	Proposed fees					
Name of director	Annual fee R	Board R	Audit and risk committee R	Remu-neration committee R	Social and ethics committee R	Investment committee R
Barend J Willemse	711 500	412 500	74 750	74 750	–	149 500
Gerard Swart	418 600	149 500	74 750	119 600	74 750	–
John D Mandy	358 800	149 500	134 550	74 750	–	–
Philippus J de W Tromp	111 538	69 711	–	–	55 769	–
Nicolaas C Tromp	69 711	69 711	–	–	–	–
Gerard Tromp*	–	–	–	–	–	–
Eckhart H Prozesky*	–	–	–	–	–	–

** Executive directors are remunerated in accordance with a cost-to-company package, as set out in the Remuneration report on page 37 of the 2018 integrated annual report.*

Notice of annual general meeting continued

in sections 66(8) and 66(9) of the Companies Act of South Africa, and that the remuneration structure and amounts as set out below, be and are hereby approved until such time as rescinded or amended by the ordinary shareholders by way of a special resolution."

Special resolution number 1 is required in terms of section 66 of the Companies Act of South Africa, which requires that directors' remuneration for their services as directors may be paid by a company only in accordance with a special resolution approved by shareholders within the previous two years.

In order for special resolution number 1 to be passed the support of at least 75% (seventy-five per cent) of the voting rights exercised on the resolution by the shareholders present in person, or represented by proxy, at the annual general meeting is required.

The reason for this resolution is to obtain prior approval for the payment of the directors' remuneration and the effect will be that the directors are paid in accordance with this resolution.

4.14 Special resolution 2: general authority to repurchase shares

"Resolved that the company, in terms of its Memorandum of Incorporation (MOI), or one of its wholly owned subsidiaries, in terms of such wholly owned subsidiary's MOI, as the case may be, and subject to the relevant subsidiary passing the necessary special resolution, be and is hereby authorised by way of a general approval to acquire the company's own securities, upon such terms and conditions and in such amounts as the directors may from time to time decide, subject to the Listings Requirements and the Companies Act of South Africa and subject to the following:

4.14.1 This general authority shall be valid until the company's next annual general meeting, provided that it shall not extend beyond 15 (fifteen) months from the date of passing of this resolution (whichever period is shorter);

4.14.2 The repurchase being effected through the order book operated by the JSE trading system, without any prior understanding or arrangement between the company and the counterparty;

4.14.3 Repurchases may not be made at a price greater than 10% (ten per cent) above the weighted average of the market value of the ordinary shares for the 5 (five) business days immediately preceding the date on which the transaction was effected;

4.14.4 An announcement being published as soon as the company has repurchased ordinary shares constituting, on a cumulative basis, 3% (three per cent) of the initial number of ordinary shares, and for each 3% (three per cent) in aggregate of the initial number of ordinary shares repurchased thereafter, containing full details of such repurchases;

4.14.5 The number of shares which may be acquired pursuant to this authority in any one financial year may not in the aggregate exceed 20% (twenty per cent) of the company's issued share capital as at the date of passing of this special resolution or 10% (ten per cent) of the company's issued share capital in the case of an acquisition of shares in the company by a subsidiary of the company;

4.14.6 The company and/or its subsidiaries not repurchasing securities during a prohibited period as defined in the JSE Listings Requirements, unless it has in place a repurchase programme where the dates and quantities of securities to be traded during the relevant period are fixed and full details of the programme have been disclosed in an announcement published on SENS prior to the commencement of the prohibited period;

4.14.7 At any point in time the company only appointing one agent to effect any repurchases on its behalf;

4.14.8 The board of directors must pass a resolution that they authorised the repurchase and that the company passed the solvency and liquidity test set out in section 4 of the Companies Act of South Africa and that since the test was done there have been no material changes to the financial position of the group;

4.14.9 The directors, having considered the effects of the maximum repurchase permitted, are of the opinion that for a period of 12 (twelve) months after the date of the notice of the annual general meeting and at the actual date of the repurchase:

4.14.10 the company and the group will be able, in the ordinary course of business, to pay its debts;

4.14.11 the working capital of the company and the group will be adequate for ordinary business purposes;

4.14.12 the assets of the company and the group, fairly valued in accordance with International Financial Reporting Standards, will exceed the liabilities of the company and the group; and

4.14.13 the company's and the group's ordinary share capital and reserves will be adequate for ordinary business purposes."

Section 48 of the Companies Act of South Africa authorises the board of directors of a company to approve the acquisition of its own shares subject to the provisions of section 48 and section 46 having been met. The JSE Listings Requirements require the approval of a 75% (seventy-five per cent) majority of the votes cast by shareholders present or represented by proxy at the annual general meeting for special resolution number 2 to become effective.

4.15 Special resolution 3: financial assistance to entities related or inter-related to the company, in terms of section 45 of the Companies Act of South Africa

"Resolved that, as a general approval, the company may, in terms of section 45(3)(a)(ii) of the Companies Act of South Africa, provide any direct or indirect financial assistance (financial assistance will herein have the meaning attributed to it in section 45(1) of the Companies Act of South Africa) to any related or inter-related company or to any juristic person who is a member of or related to any such company/ies (related and inter-related will herein have the meaning attributed to it in section 2 of the Companies Act of South Africa), subject to compliance with the remainder of section 45 of the Companies Act of South Africa, as the board of directors of the company may deem fit and on the terms and conditions, to the recipient/s, in the form, nature and extent and for the amounts that the board of directors of the company may determine from time to time."

The effect of special resolution number 3, if adopted, is to confer the authority on the board of directors of the company to authorise financial assistance to companies related or inter-related to the company or to any juristic person who is a member of or related to any such companies generally as the board of directors may deem fit, on the terms and conditions, and for the amounts that the board of directors may determine from time to time, for a period of two years from the date of the adoption of the special resolution and in particular as specified in the special resolution.

In order for special resolution number 3 to be passed the support of at least 75% (seventy-five per cent) of the voting rights exercised on the resolution by the shareholders present in person, or represented by proxy, at the annual general meeting is required.

Notice of annual general meeting continued

5. Additional information

The following additional information, which may appear elsewhere in the 2018 integrated annual report, is provided in terms of the JSE Listings Requirements for purposes of the general authority to repurchase the company's shares set out in special resolution number 2 above:

5.1. Major shareholders – page 48;

5.2. Stated capital of the company – page 97.

6. Directors' responsibility statement

The directors in office, whose names appear on pages 6 and 7, collectively and individually accept full responsibility for the accuracy of the information pertaining to special resolution number 2 and certify that, to the best of their knowledge and belief, there are no facts that have been omitted which would make any statement false or misleading, and that all reasonable enquiries to ascertain such facts have been made and that the special resolutions contain all information required by the JSE Listings Requirements.

7. Material changes

Other than the facts and developments reported on in the integrated annual report, there have been no material changes in the affairs or financial position of the company and its subsidiaries since the company's financial year end and the date of signature of the integrated annual report.

8. Directors' intention regarding the general authority to repurchase the company's shares

The directors have no specific intention, at present, for the company to repurchase any of its shares but consider that such a general authority should be put in place should an opportunity present itself to do so during the year which is in the best interests of the company and its shareholders.

9. Attendance and proxies

9.1 Please note that, in terms of section 62(3 (e) of the Companies Act of South Africa:

9.1.1 a shareholder entitled to attend and vote at the annual general meeting is entitled to appoint one or more proxies to attend, participate in and vote at the annual general meeting in place of that shareholder; and

9.1.2 a proxy need not also be a shareholder of the company.

9.2 Please note further that section 63(1) of the Companies Act of South Africa requires that the annual general meeting participants must provide satisfactory identification. In this regard, all annual general meeting participants will be required to provide identification satisfactory to the chairman of the annual general meeting.

9.3 All beneficial owners whose shares have been dematerialised through a Central Securities Depository Participant (CSDP), broker or nominee other than with "own name" registration, must provide the CSDP, broker or nominee with their voting instructions in terms of their custody agreement should they wish to vote at the annual general meeting. Alternatively, they may request the CSDP, broker or nominee to provide them with a letter of representation, in terms of their custody agreements, should they wish to attend the annual general meeting.

9.4 Unless you advise your CSDP, broker or nominee, in terms of the agreement between you and your CSDP, broker or nominee by the cut-off time stipulated therein, that you wish to attend the general meeting or send a proxy to represent you at this general meeting, your CSDP, broker or nominee will assume that you do not wish to attend the general meeting or send a proxy.

9.5 Forms of proxy (which form may be found enclosed) must be dated and signed by the shareholder appointing a proxy and must be received at the registered offices of the company, c/o Veritas Board of Executors Proprietary Limited, Nictus Building, corner of Pretoria and Dover Streets, Randburg (PO Box 2878, Randburg 2125) or the transfer secretaries, Computershare Investor Services Proprietary Limited, Rosebank Towers, 15 Biermann Avenue, Rosebank 2196 (PO Box 61051, Marshalltown 2107). Forms of proxy must be received not later than 10:00 on Monday, 20 August 2018. Before a proxy exercises any rights of a shareholder at the annual general meeting, such form of proxy must be so delivered.

9.6 Attention is drawn to the "Notes" to the form of proxy.

9.7 The completion of a form of proxy does not preclude any shareholder attending the annual general meeting.

10. Voting

10.1 On a show of hands every shareholder present in person or by proxy, and if a member is a body corporate, its representatives, shall have one vote and on a poll every shareholder present in person or by proxy and, if the person is a body corporate, its representative, shall have one vote for every share held or represented by him/her.

10.2 For the purpose of resolutions proposed in terms of the JSE Listings Requirements in respect of which any votes are to be excluded, any proxy given by a holder of securities to the holder of such an excluded vote shall also be excluded from voting for the purposes of that resolution.

11. Electronic participation at the annual general meeting

11.1 Should any shareholder of the company wish to participate in the annual general meeting by way of electronic participation, that shareholder shall be obliged to make application in writing (including details as to how the shareholder or its representative can be contacted) to so participate, to the transfer secretaries at the applicable address set out above at least 5 (five) business days prior to the annual general meeting in order for the transfer secretaries to arrange for the shareholder (and its representative) to provide reasonably satisfactory identification to the transfer secretaries for the purposes of section 63(1) of the Companies Act of South Africa and for the transfer secretaries to provide the shareholder (or its representative) with details as to how to access any electronic participation to be provided. The company reserves the right not to provide for electronic participation at the annual general meeting in the event that it determines that it is not practical to do so. The costs of accessing any means of electronic participation provided by the company will be borne by the shareholder so accessing the electronic participation.

11.2 Shareholders are encouraged to attend at the annual general meeting. Please note that, in terms of section 63(1) of the Companies Act of South Africa, meeting participants (including proxies) are required to provide reasonably satisfactory identification before being entitled to attend or participate in the meeting. Forms of identification include valid identity documents, driver's licences and passports.

By order of the board

Nictus Limited
Veritas Board of Executors Proprietary Limited
Secretary

Randburg
19 June 2018

Notes to the form of proxy

1. Each shareholder is entitled to appoint one or more proxies (who need not be a shareholder(s) of the company) to attend, speak and, on a poll or by show of hands, vote in place of that shareholder at the annual general meeting.

2. A shareholder may insert the name of a proxy or the names of two alternative proxies of the shareholder's choice in the space provided, with or without deleting 'the chairman of the annual general meeting'. The person whose name stands first on the form of proxy and who is present at the annual general meeting shall be entitled to act as proxy to the exclusion of the persons whose names follow.

3. A shareholder's instructions to the proxy have to be indicated by the insertion of an "X" or the relevant number of votes exercisable by that shareholder in the appropriate box provided. Failure to comply with the above shall be deemed to authorise the chairman of the annual general meeting, if the chairman is the authorised proxy, to vote in favour of the ordinary and special resolutions at the annual general meeting, or any other proxy to vote or to abstain from voting at the annual general meeting, as he/she deems fit, in respect of all the shareholder's votes exercisable thereat.

4. A shareholder or his/her proxy is not obliged to vote in respect of all the ordinary shares held by such shareholder or represented by such proxy, but the total number of votes for or against the ordinary and special resolutions and in respect of which any abstention is recorded may not exceed the total number of votes to which the shareholder or his/her proxy is entitled.

5. Documentary evidence establishing the authority of a person signing this form of proxy in a representative capacity has to be attached to this form of proxy, unless previously recorded by the company's transfer secretaries or waived by the chairman of the annual general meeting.

6. The chairman of the annual general meeting may reject or accept any form of proxy that is completed and/or received other than in accordance with these instructions and notes.

7. Any alterations or corrections to this form of proxy have to be initialled by the signatory(ies).

8. The completion and lodging of this form of proxy shall not preclude the relevant shareholder from attending the annual general meeting and speaking and voting in person thereat to the exclusion of any proxy appointed in terms hereof, should such shareholder wish to do so.

9. All beneficial owners of ordinary shares who have dematerialised their shares through a Central Securities Depository Participant (CSDP) or broker, other than those shareholders who have elected to dematerialise their shares with "own name" registrations, and all beneficial owners of ordinary shares who hold certificated shares through a nominee, must provide their CSDP, broker or nominee with their voting instructions. Voting instructions must reach the CSDP, broker or nominee in sufficient time to allow the CSDP, broker or nominee to advise the company or its transfer secretaries of this instruction no less than 48 hours before the time appointed for the holding of the meeting.

   Should you as the beneficial owner, however, wish to attend the meeting in person, you may do so by requesting your CSDP, broker or nominee to issue you with a letter of representation in terms of the custody agreement entered into with your CSDP, broker or nominee. Letters of representation must be lodged with the company's transfer secretaries or at the registered office of the company not less than 48 hours before the time appointed for the holding of the meeting. Shareholders who hold certificated shares with their own name and shareholders who have dematerialised their shares with "own name" registrations must lodge their completed proxy forms with the company's transfer secretaries or at the registered office of the company not less than 48 hours before the time appointed for the holding of the meeting (excluding Saturdays, Sundays and public holidays).

10. Forms of proxy have to be lodged with or posted to the registered office of the company, c/o Veritas Board of Executors Proprietary Limited, Nictus Building, corner of Pretoria and Dover Streets, Randburg, (PO Box 2878, Randburg 2125) or the transfer secretaries, Computershare Investor Services Proprietary Limited, Rosebank Towers, 15 Biermann Avenue, Rosebank 2196 (PO Box 61051, Marshalltown 2107). Forms of proxy must be received not later than 10:00 on Monday, 20 August 2018.

Summary of rights established by section 58 of the Companies Act of South Africa (Companies Act), as required in terms of subsection 58(8)(b)(i)

1. A shareholder may at any time appoint any individual, including a non-shareholder of the company, as a proxy to participate in, speak and vote at a shareholders' meeting on his or her behalf (section 58(1)(a)), or to give or withhold consent on behalf of the shareholder to a decision in terms of section 60 (shareholders acting other than at a meeting) (section 58(1)(b)).

2. A proxy appointment must be in writing, dated and signed by the shareholder, and remains valid for one year after the date on which it was signed or any longer or shorter period expressly set out in the appointment, unless it is revoked in terms of paragraph 6.3 or expires earlier in terms of paragraph 10.4 (section 58(2)).

3. A shareholder may appoint two or more persons concurrently as proxies and may appoint more than one proxy to exercise voting rights attached to different securities held by the shareholder (section 58(3)(a)).

4. A proxy may delegate his or her authority to act on behalf of the shareholder to another person, subject to any restriction set out in the instrument appointing the proxy (proxy instrument) (section 58(3)(b)).

5. A copy of the proxy instrument must be delivered to the company, or to any other person acting on behalf of the company, before the proxy exercises any rights of the shareholder at a shareholders' meeting (section 58(3 (c)) and in terms of the Memorandum of Incorporation (MOI) of the company at least 48 hours before the annual general meeting commences.

6. Irrespective of the form of instrument used to appoint a proxy:

6.1 the appointment is suspended at any time and to the extent that the shareholder chooses to act directly and

Notes to the form of proxy continued

in person in the exercise of any rights as a shareholder (section 58(4)(a));

6.2 the appointment is revocable unless the proxy appointment expressly states otherwise (section 58(4)(b)); and

6.3 if the appointment is revocable, a shareholder may revoke the proxy appointment by cancelling it in writing or by making a later, inconsistent appointment of a proxy, and delivering a copy of the revocation instrument to the proxy and to the company (section 58(4)(c)).

7. The revocation of a proxy appointment constitutes a complete and final cancellation of the proxy's authority to act on behalf of the shareholder as of the later of the date stated in the revocation instrument, if any, or the date on which the revocation instrument was delivered as contemplated in paragraph 6.3 (section 58(5)).

8. If the proxy instrument has been delivered to a company, as long as that appointment remains in effect, any notice required by the Companies Act of South Africa or the company's MOI to be delivered by the company to the shareholder must be delivered by the company to the shareholder (section 58(6)(a)), or the proxy or proxies, if the shareholder has directed the company to do so in writing and paid any reasonable fee charged by the company for doing so (section 58(6)(b)).

9. A proxy is entitled to exercise, or abstain from exercising, any voting right of the shareholder without direction, except to the extent that the MOI or proxy instrument provides otherwise (section 58(7)).

10. If a company issues an invitation to shareholders to appoint one or more persons named by the company as a proxy, or supplies a form of proxy instrument:

10.1 the invitation must be sent to every shareholder entitled to notice of the annual general meeting at which the proxy is intended to be exercised (section 58(8)(a));

10.2 the invitation or form of proxy instrument supplied by the company must:

10.2.1 bear a reasonably prominent summary of the rights established in section 58 of the Companies Act of South Africa (section 58(8)(b)(i));

10.2.2 contain adequate blank space, immediately preceding the name(s) of any person(s) named in it, to enable a shareholder to write the name, and if desired, an alternative name of a proxy chosen by the shareholder (section 58(8)(b)(ii)); and

10.2.3 provide adequate space for the shareholder to indicate whether the appointed proxy is to vote in favour of or against any resolution(s) to be put at the annual general meeting, or is to abstain from voting (section 58(8)(b)(iii));

10.3 the company must not require that the proxy appointment be made irrevocable (section 58(8)(c)); and

10.4 the proxy appointment remains valid only until the end of the annual general meeting at which it was intended to be used, subject to paragraph 7 (section 58(8)(d)).

Form of proxy

nictus

(Nictus or the company)
(Incorporated in the Republic of South Africa)
Registration number RSA: 81/011858/06
Registration number NAM: 781/11858
JSE share code: NCS
ISIN number: NA0009123481

To be completed by certificated shareholders and dematerialised shareholders with "own name" registration only

For completion by registered members of Nictus unable to attend the annual general meeting of the company to be held in the boardroom, Nictus Building, corner of Pretoria and Dover Street, Randburg, on Wednesday, 22 August 2018 at 12:00 (SA time), or at any adjournment thereof.

I/We ______________________________

of ______________________________ (address)

being the holder/s of ______________ shares in the company, do hereby appoint:

1. ______________________________ or, failing him/her

2. ______________________________ or, failing him/her

the chairman of the annual general meeting,

as my/our proxy to attend, speak and, on a poll, vote on my/our behalf at the abovementioned annual general meeting of members or at any adjournment thereof, and to vote or abstain from voting as follows on the ordinary and special resolutions to be proposed at such meeting:

	For	Against	Abstain	Precluded from voting in terms of the Companies Act or the JSE Listings Requirements
Ordinary resolution 1: re-election of Gerard R de V Tromp as a director				
Ordinary resolution 2: re-election of Eckhart H Prozesky as a director				
Ordinary resolution 3: re-election of Barend J Willemse (Johan) as a director				
Ordinary resolution 4: approval of remuneration policy				

Form of proxy continued

	For	Against	Abstain	Precluded from voting in terms of the Companies Act or the JSE Listings Requirements
Ordinary resolution 5: approval of remuneration implementation report				
Ordinary resolution 6: re-election of John D Mandy as a member of the audit and risk committee				
Ordinary resolution 7: re-election of Barend J Willemse (Johan) as a member of the audit and risk committee				
Ordinary resolution 8: re-election of Gerard Swart as a member of the audit and risk committee				
Ordinary resolution 9: re-appointment of John D Mandy as chairman of the audit and risk committee				
Ordinary resolution 10: re-appointment of KPMG as auditors				
Ordinary resolution 11: authority to issue ordinary shares				
Ordinary resolution 12: signing authority				
Special resolution 1: approval of directors' remuneration				
Special resolution 2: general authority to repurchase shares				
Special resolution 3: financial assistance to entities related or inter-related to the company, in terms of section 45 of the Companies Act of South Africa				

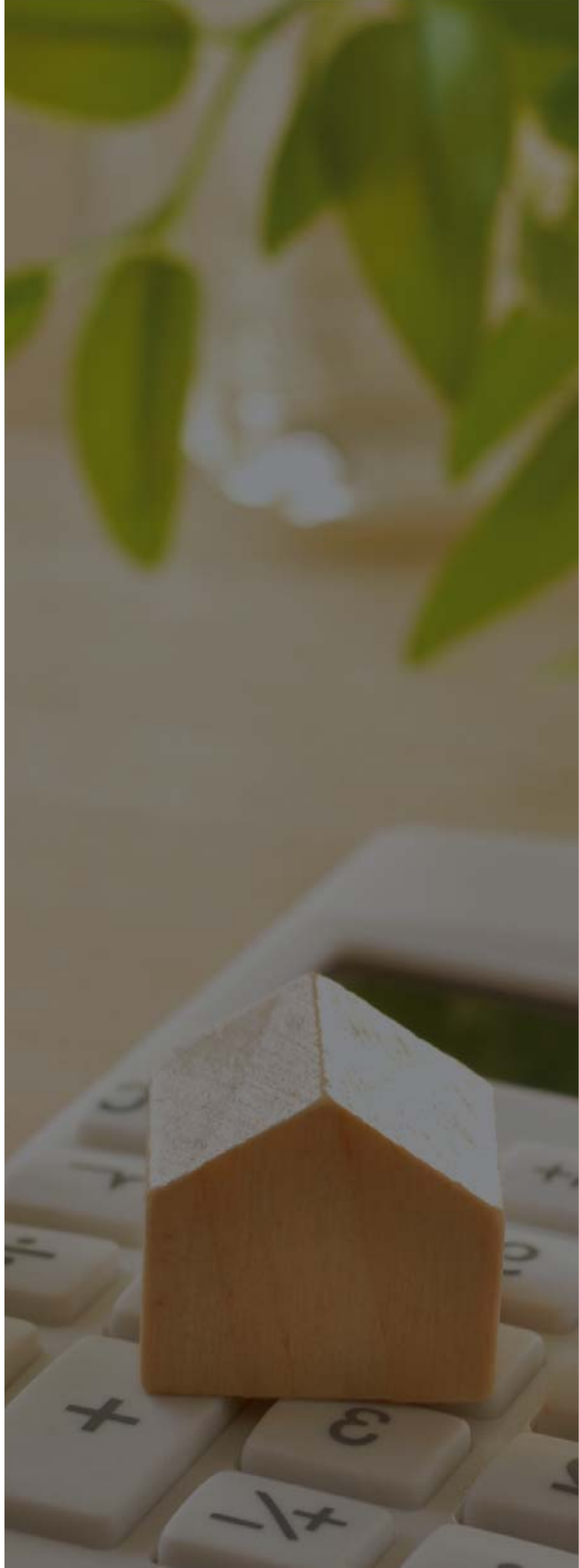
Please indicate with an "X" in the appropriate spaces provided above how you wish your vote to be cast.

However, if you wish not to cast your votes in respect of less than all of the ordinary shares that you own in the company, insert the number of ordinary shares held in respect of which you desire to vote.

Signed at ______________________________ on __________________________ 2018

Signature ____

Assisted by me, where applicable (name and signature) ______________________________



Contact information

Nictus Limited

(Nictus or the company)
(Incorporated in the Republic of South Africa)
Registration number RSA: 81/011858/06
Registration number NAM: 781/11858
JSE share code: NCS
ISIN number: NA0009123481
www.nictuslimited.co.za

Registered office of the company

Head office

1st Floor, Nictus Building
Corner of Pretoria and Dover Street, Randburg

PO Box 2878, Randburg 2125

Windhoek office

Nictus Building, 1st floor
140 Mandume Ndemufayo Avenue
Windhoek

Private Bag 13231, Windhoek

Company secretary

Veritas Board of Executors Proprietary Limited

Registration number 1984/007487/07
1st Floor, Nictus Building
Corner of Pretoria and Dover Street, Randburg

PO Box 2878, Randburg 2125

Auditors and reporting accountant

KPMG Inc.

Registration number 1999/021543/21
KPMG Crescent
85 Empire Road, Parktown 2193

Private Bag 9, Parktown 2122

nictus

www.nictuslimited.co.za