

Niveus Investments Limited
(Incorporated in the Republic of South Africa)
Registration number: 1996/005744/06
JSE share code: NIV
ISIN code: ZAE000169553
("the Company" or "the Group" or "Niveus")

REVIEWED CONDENSED CONSOLIDATED RESULTS FOR THE YEAR ENDED 31 MARCH 2019

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Reviewed 31 March 2019 R'000	Audited 31 March 2018 R'000
ASSETS		
Non-current assets	269 428	484 664
Property, plant and equipment	43 336	114 159
Investment properties	153 900	262 758
Goodwill	-	11 714
Intangible assets	185	12 830
Interest in associates and joint arrangements	41 471	35 322
Other financial assets	24 014	38 779
Deferred taxation	6 522	1 040
Loans receivable	-	8 062
Current assets	264 960	287 676
Trade and other receivables	19 836	27 806
Other	1 948	336
Cash and cash equivalents	243 176	259 534
Assets of disposal group classified as held for sale	36 777	855 273
Total assets	571 165	1 627 613
EQUITY AND LIABILITIES		
Equity	473 474	1 400 212
Equity attributable to equity holders of the parent	380 558	924 356
Non-controlling interest	92 916	475 856
Non current liabilities	17 529	44 088
Deferred taxation	17 529	44 088
Current liabilities	65 419	183 313
Liabilities of disposal group classified as held for sale	14 743	-
Total equity and liabilities	571 165	1 627 613
Net asset value per share (cents)	319	776

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

	Reviewed Year ended 31 March 2019 R'000	Audited Year ended 31 March 2018 Restated R'000
Revenue	18 398	17 328
	% Change 6,2%	

Operating expenses	(41 439)	(49 220)
EBITDA	(23 041)	(31 892)
Depreciation and amortisation	(1 377)	(24 580)
Share of losses of associates and joint arrangements	(4 680)	(2 084)
Investment income	23 562	81 205
Fair value adjustment of other financial assets	(30 567)	5 539
Fair value adjustments of investment properties	(111 640)	48 119
Impairment of assets	(94)	(142)
Impairment of investment in associate	-	(934)
Finance costs	-	(1 233)
(Loss) profit before taxation	(147 837)	73 998
Taxation	34 954	(47 783)
(Loss) profit for the year from continuing operations	(112 883)	26 215
Net result from discontinued operations	21 152	181 943
(Loss) profit for the year	(91 731)	208 158
Attributable to:		
Equity holders of the parent	(55 452)	184 260
Non-controlling interest	(36 279)	23 898
	(91 731)	208 158

		Reviewed Year ended 31 March 2019 R'000		Audited Year ended 31 March 2018 R'000
Reconciliation of headline earnings	Gross	Net	Gross	Net
Earnings attributable to equity holders of the parent		(55 452)		184 260
Losses (gains) on disposal of plant and equipment	2 510	2 494	(907)	(907)
Impairment of assets	928	545	4 003	4 003
Gains on disposal of subsidiaries	(26 741)	(26 741)	(67 597)	(67 597)
Fair value adjustment to investment property	111 640	50 394	(46 693)	(36 235)
Headline (loss) profit	-134,4%	(28 760)		83 524

		Reviewed Year ended 31 March 2019	Audited Year ended 31 March 2018 Restated
Earnings per share (cents)	-130,1%	(46,5)	154,6
- Continuing operations		(67,6)	92,2
- Discontinued operations		21,1	62,4
Headline earnings per share (cents)	-134,4%	(24,1)	70,1
- Continuing operations		(23,1)	7,3
- Discontinued operations		(1,0)	62,8
Diluted earnings per share (cents)	-130,3%	(46,5)	153,7
- Continuing operations		(67,6)	91,7
- Discontinued operations		21,1	62,0
Diluted headline earnings per share (cents)	-134,6%	(24,2)	69,8
- Continuing operations		(23,2)	7,4
- Discontinued operations		(1,0)	62,4
Actual number of share in issue at end of year ('000)		119 163	119 163
Weighted average number of shares in issue ('000)		119 163	119 163
Weighted average number of shares in issue (diluted) ('000)		119 163	119 960

CONDENSED CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME

	Reviewed Year ended 31 March 2019 R'000	Audited Year ended 31 March 2018 R'000
(Loss) profit for the year	(91 731)	208 158
Other comprehensive income:		
Items that may be reclassified subsequently to profit or loss		
Foreign currency translation differences	21 828	(20 305)
Items that may not be reclassified subsequently to profit or loss		
Change in use - revaluation of property - Gross	-	52 184
Change in use - revaluation of property - Tax	-	(11 689)
Total comprehensive (loss) income	(69 903)	228 348
Attributable to:		
Equity holders of the parent	(33 624)	187 298
Non-controlling interest	(36 279)	41 050
	(69 903)	228 348

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Reviewed Year ended 31 March 2019 R'000	Audited Year ended 31 March 2018 R'000
Balance at beginning of year	1 400 212	1 881 755
Total comprehensive (loss) income	(69 903)	228 348
Equity-settled share-based payments	(18 140)	(781)
Effects of changes in holding	(8 223)	(16 608)
Business disposals	9 035	17 392
Capital reductions and dividends	(839 507)	(709 894)
Balance at end of year	473 474	1 400 212

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	Reviewed Year ended 31 March 2019 R'000	Audited Year ended 31 March 2018 R'000
Cash flows from operating activities	7 257	554 873
Cash generated from operations	5 402	568 263
Net interest	24 031	68 557
Taxation paid	(22 176)	(81 947)
Cash flows from investing activities	(20 959)	(573 115)
Additions to property, plant and equipment	(5 609)	(92 187)
Proceeds on disposal of property, plant and equipment	1 234	2 700
Proceeds on disposal of investments	36 753	-
Investment in associates and joint arrangements	(11 052)	(45 962)
Business combinations and disposal of subsidiaries	565	(206 319)
Investment in financial assets	(39 124)	(217 348)
Other	(3 726)	(13 999)
Cash flows from financing activities	(7 414)	(430 958)

Dividends paid	-	(302 679)
Other financial liabilities	-	122 361
Long-term funding repaid	-	(250 640)
Transactions with non-controlling shareholders	(7 414)	-
Decrease in cash and cash equivalents	(21 116)	(449 200)
At beginning of year	259 534	708 734
Foreign exchange differences	14 299	-
At end of year	252 717	259 534
Bank balances and deposits	243 176	259 534
Classified as held for sale	9 541	-
	252 717	259 534

SEGMENTAL ANALYSIS

	Reviewed Year ended 31 March 2019 R'000	Audited Year ended 31 March 2018 Restated R'000
Revenue	18 398	17 328
Other	-	1 889
Property	18 398	15 439
EBITDA	(23 041)	(31 892)
Head office and other	(24 730)	(25 980)
Property	1 689	(5 912)
(Loss) profit before tax	(147 837)	73 998
Head office and other	(29 781)	(51 405)
Property	(118 056)	125 403
Headline earnings		
Continuing operations	(27 618)	8 680
Head office and other	(32 527)	(21 253)
Property	4 909	29 933
Discontinued operations	(1 142)	74 844
Gaming and entertainment	(1 142)	74 844
	(28 760)	83 524

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

Basis of preparation and accounting policies

The results for the year ended 31 March 2019 have been prepared in accordance with International Financial Reporting Standards ("IFRS"), IAS 34 - Interim Financial Reporting, the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee, the Financial Reporting Pronouncements as issued by the Financial Reporting Standards Council, the requirements of the South African Companies Act, No. 71 of 2008 (as amended) and the Listings Requirements of the JSE Limited. The accounting policies of the Group are consistent with those applied for the year ended 31 March 2018, except for the adoption of IFRS 9 and IFRS 15 in the current year, which did not have an impact on the results of the Group. As required by the Listings Requirements of the JSE Limited, the Group reports headline earnings in accordance with Circular 4/2018 - Headline Earnings, as issued by the South African Institute of Chartered Accountants. These financial statements were prepared under the supervision of the financial director, Mr AF Pereira CA(SA).

Auditor's review

These condensed consolidated financial statements for the year ended 31 March 2019 have been reviewed by BDO South Africa Inc., who expressed an unmodified review conclusion.

A copy of the auditor's review report is available for inspection at the Company's registered office together with the financial statements identified in the auditor's report. The auditor's report does not necessarily report on all of the information contained in this announcement. Shareholders are therefore advised that, in order to obtain a full understanding of the nature of the auditor's engagement, they should obtain a copy of the auditor's report together with the accompanying financial information from the issuer's registered office.

Discontinued operations and disposal groups held for sale

- During June 2017, Niveus entered into an agreement with Tsogo Sun Holdings Limited to dispose of all of its interests in Vukani Gaming Corporation Proprietary Limited ("Vukani"), Galaxy Gaming and Entertainment Proprietary Limited ("Galaxy") and all their associated entities, trusts and businesses (collectively the "Gaming Businesses") to Tsogo subject to certain conditions precedent. These conditions were met in November 2017 and the disposal became effective. The results of these operations are included in discontinued operations in the prior year.

- During June 2017, the Group disposed of subsidiaries Jacaranda Royal Casino Limited, VSlots Lesotho (Proprietary) Limited and VSlots Swaziland (Proprietary) Limited. The results of these operations were included in discontinued operations in the prior year.

- On 15 June 2018 the Group disposed of the entire share capital of Niveus Invest 1 Proprietary Limited, the owner of the Grand Oasis Casino in Kuruman, Northern Cape, for final net consideration of R93,5 million. The results of these operations are classified under discontinued operations in the current and prior year.

- The Group disposed of its entire interests in Niveus Invest 13 Proprietary Limited and Slots and Keno Limited, effective 1 April 2018 and 31 May 2018, respectively, for total consideration of R5 million. The results of these operations have been reclassified to discontinued operations in the current and prior year.

- During March 2019 the Company initiated the process to dispose of its online and retail sportsbetting interests. The assets and liabilities of these operations have therefore been reclassified to disposal groups held for sale in the current year and the results of its operations to discontinued operations in the current and prior year.

The results of discontinued operations were as follows:

	Reviewed Year ended 31 March 2019 R'000	Audited Year ended 31 March 2018 Restated R'000
Profit relating to discontinued operations		
Revenue	1 079	80 998
Net gaming win	77 246	944 109
Other income and operating costs	(79 363)	(772 473)
Share of losses of associates and joint arrangements	-	(5 085)
Investment income	488	8 410
Depreciation and amortisation	(3 932)	(60 590)
Asset impairments	(834)	(18 027)
Fair value adjustments of investment properties	-	(1 426)
Gain on disposal of business	26 741	86 050
Foreign currency translation reserves reclassified to profit and loss	-	(18 454)
Finance costs	(17)	(19 815)
Profit before taxation	21 408	223 697
Taxation	(256)	(41 754)
Profit from discontinued operations	21 152	181 943
Cash flows from discontinued operations		
Cash flows from operating activities	5 713	418 789
Cash flows from investing activities	(1 434)	(483 768)
Cash flows from financing activities	-	170 644
	4 279	105 665

Proceeds, net cash flow and analysis of assets and liabilities on disposal

Property, plant and equipment

59 043

Other non-current assets	14 790
Cash and cash equivalents	4 435
Other current assets	2 346
Current liabilities	(17 869)
	62 745
Non-controlling interest	9 035
Profit on disposal	26 741
Disposal proceeds	98 521
Set-off against existing liability	(93 521)
Cash and cash equivalents at date of disposal	(4 435)
Net cash inflow	565

Revaluation of investment properties

Management of the La Concorde group concluded a review of the carrying value of its investment properties during March 2019. Current zoning and market conditions were considered. Valuations on these properties resulted in the following downward revaluations:

	Carrying value before revaluation R'000	Fair value adjustments R'000	Carrying value at 31 March 2019 R'000
Erf 31403, Main Street House, Paarl, Western Cape	5 000	(1 000)	4 000
Erf 11919, De Hoop Farm, Paarl, Western Cape	25 000	(11 800)	13 200
Erf 31366, Picardie Farm, Paarl, Western Cape	35 000	(26 000)	9 000
Erf 8677, Paarl, Western Cape	24 000	(11 000)	13 000
Erf 8676, Paarl, Western Cape	76 182	(26 182)	50 000
Erf 13004, Paarl, Western Cape	97 500	(35 000)	62 500
Various erven	2 858	(658)	2 200
	265 540	(111 640)	153 900

COMMENTARY

During the prior financial year Niveus disposed of its limited payout and bingo operations. It also utilised the majority of cash and promissory notes held by the La Concorde Group ("La Concorde") to purchase an interest in Hosken Passenger Logistics and Rail Limited, which interest was distributed to shareholders during April 2018.

The Group received regulatory approval to dispose of its interest in the Grand Oasis Casino during June 2018, resulting in the conclusion of the disposal of the Group's limited payout, bingo and casino operations to Tsogo Sun Holdings.

Niveus's remaining investments consist significantly of its interests in La Concorde, online and retail sports betting operator, BETcoza, and golf ball tracking technology company, Alphawave Golf.

La Concorde

The assets of La Concorde consist mainly of investment property, art and cash, as well as HPL&R shares acquired during the acquisition and distribution of the Group's interest in that company. The La Concorde office building is nearly fully tenanted and improved utilisation of the Laborie estate's existing facilities is being planned. Further development of other properties is being considered, however, the current zoning of certain properties will result in significant delays.

BETcoza

Niveus has an interest in online sports betting and retail sports betting licences of which five are currently operational. While certain key performance indicators of the online business has been encouraging, further scale is required to ensure it is less vulnerable to fluctuations in gross gaming revenue. The further roll out of retail licences will require significant funding and additional management expertise at site level. The Company has initiated the process of disposing of these businesses, although no formal negotiations have been entered with counterparties.

Alphawave

Niveus invested in a start-up investment, developing radar tracking products in the golf industry, during the previous financial year. Development progress is in line with planned targets. Due to the early phase nature of this business, further investment will be required to reach full commercial viability.

CHANGES IN DIRECTORATE

Mr Andre van der Veen resigned as non-executive director effective 1 August 2018. Ms Muriel Loftie-Eaton resigned as executive director and CEO on 1 August 2018, Mr Yunis Shaik replacing her as CEO effective the same date. Effective 8 February 2019, Mr Shaik resigned as CEO and Ms Lael Bethlehem was appointed as an executive director and CEO on the same date. Ms Carolyn Kristal resigned as financial director effective 1 July 2018, replaced by Mr Cisco Pereira from the same date.

DIVIDEND

The directors have resolved not to declare a final dividend.

JA Copelyn Chairman	LI Bethlehem Chief executive officer
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23 May 2019
Paarl

Directors: LI Bethlehem*, JA Copelyn+, ML Molefi#, JG Ngcobo#, AF Pereira*, Y Shaik*, RD Watson#
(* executive + non-executive # independent non-executive)

Company secretary: HCI Managerial Services Proprietary Limited

Transfer secretaries: Computershare Investor Services Proprietary Limited

Sponsor: Investec Bank Limited