

CAUTIONARY ANNOUNCEMENT



Pursuant to Rules 38, 40(1) and Appendix 4 of the Uganda Securities Exchange Listing Rules 2003, the Board of NIC Holdings Limited wishes to inform esteemed shareholders and the general public that although business income grew by 15%, there has been a 44% increase in the loss after tax (LAT).

The increase in LAT arose mainly from:

- (i) the 3,394% increase in impairment provision on receivables from Ushs 34.15 million in 2018 to Ushs 1.19 billion in 2019 due to the implementation of the insurance industry premium payment policy on “*cash and carry*” basis,
- (ii) the 7,322% increase in actuarial liability adjustments from Ushs16.40 million in 2018 to Ushs 1.22 billion in 2019. These are adjustments arising from technical provisions advised by the Group’s Actuary; and
- (iii) the more than Ushs1.59 billion fair value loss on the Group’s quoted equities.

The Board of NIC wishes to thank the public and the esteemed shareholders of the Company for their committed support. The public is advised to exercise caution in their shares transactions and seek relevant financial advice.

By order of the Board



Elias Edu, Esq.

Company Secretary

