



# Paratus Namibia Holdings Limited

Registration number: 2017/0558

Country of registration: Namibia

Condensed Consolidated and Separate Financial Statements  
for the year ended 30 June 2021

# Paratus Namibia Holdings Limited

(Registration number : 2017/0558)

Condensed consolidated and separate financial statements  
for the year ended 30 June 2021

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# Paratus Namibia Holdings Limited

(Registration number: 2017/0558)

Condensed consolidated and separate financial statements  
for the year ended 30 June 2021

## Financial performance overview

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### The market and prospects

According to the Bank of Namibia Economic Outlook Report, the growth forecast of Namibia for 2021 has been revised down from 2.7% to 1.4%. The revision is largely driven by lower anticipated diamond output for 2021, as well as the slow vaccine roll-out and re-imposition of some lockdown measures. Stronger mining output is expected to result in stronger growth of 3.4% in 2022. The report further indicates growth of 17.4% was experienced in the Information and Communication sector during 2020. This growth is expected to ease to 7.8% for 2021.

For the financial year ending 30 June 2021, Paratus Namibia, the operating entity, realised recurring revenue of N\$305.1 million (June 2020: N\$283 million) which represents a growth of 7.8% on a like-for-like basis. Non-recurring revenue, which represents customer premises Local Area Network installations and equipment sales amounts to N\$30.8 million (June 2020: N\$51.7 million). This represents a decline of 40.4% on a like-for-like basis. The decline is attributable to the slowdown in the construction of new commercial buildings as a result of the weak local economy.

The net profit before taxation, for the operating entity, for the same period amounts to N\$40.8 million (June 2020: N\$33.4 million) and earnings before interest, taxation, depreciation and amortisation ("EBITDA") amounts to N\$94.4 million (June 2020: N\$83 million). This represents growth of 22.2% and 12.2%, respectively on a like-for-like basis.

Management considers EBITDA as an important operational performance measure, as it mirrors the company's ability to generate cash flows from operations. The disparity between profit after taxation and EBITDA stems from the large depreciation charge recorded on infrastructure deployed. The growth in the operating results mainly stems from the growth in recurring revenue and improved operating margins.

### Capital projects

During the financial year ending 30 June 2021, Paratus Namibia, the operating entity, incurred capital expenditure amounted to N\$178 million (2020: N\$101 million over 16 months) which were funded from cash reserves and operational cash flows.

### Data center

The acquisition of the erf to construct the data center (Tier-3 by design), has been finalised. The total cost of the erf amounts to N\$9.3 million. Construction has commenced. The project is expected to be completed during the third quarter of 2022 at a total cost of N\$123 million. Total capital expenditure towards this project at year-end amounts to N\$18 million.

### Fiber

A total of 342km new fiber ducts have been installed for the financial year ending June 2021. Windhoek suburbs, which include Eros, Klein Windhoek, Ludwigsdorf, Luxury Hill, Olympia, Kleine Kuppe, Prosperita, major routes in Pioneerspark, Cimbebasia and Academia were completed and now have access to fiber connectivity.

Fiber was also rolled out in Kramersdorf in Swakopmund as well as Meersig in Walvis Bay.

Phase 1 and 2 was completed in Grootfontein and the first customers were connected successfully.

Major expansions were done in Otjiwarongo which has resulted in healthy and continued growth.

New subscribers continued to join the network to the extent that backhaul capacity between Fiber Points of Presence had to be increased ten-fold to accommodate the growth.

### SkyFi

Expansions were done to include Ondangwa and Katima Mulilo. A total of 24 new sectors were added to the network to accommodate the growth.

### LTE

Additional sites were added to improve coverage and improve customer experience.

### Cable Landing Station

Construction of the shell was completed and major systems installed as well as fronthaul trenching to the beach landing point have commenced.

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for the year ended 30 June 2021

## Financial performance overview

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### ***Project - Golden Strip***

The project consists of the installation of fiber backhaul between three major Northern towns of Namibia, which include Ondangwa, Ongwediva and Oshakati. The project also include the installation of fiber access along the main routes in the towns, rolling out LTE and SkyFi infrastructure.

The fiber backhaul installation commenced together with site preparation and acquisition to house the LTE and SkyFi base stations.

### **Funding**

During May 2021 Paratus Holdings established an NSX approved N\$1 billion Domestic Medium-Term Note Programme pursuant to a Programme Memorandum. During June 2021 a first tranche of N\$200 million was raised through the Domestic Medium-Term Notes Programme. The N\$200 million raised consist of the following:

- N\$175 million in Senior Unsecured Floating Rate Notes maturing on 18 June 2024 and bearing interest at 300 basis points above the 3 Month ZAR JIBAR rate; and
- N\$25 million in Senior Unsecured Floating Rate Notes maturing on 18 June 2026 and bearing interest at 325 basis points above the 3 Month ZAR JIBAR rate.

The interest that has accrued on these borrowings at year end amounts to N\$478 275.

N\$66 million of the proceeds were utilised to settle the Development Bank of Namibia term loan and the remainder of the loan capital is to be utilised to fund the Data Center and other infrastructure roll-out for the 2022 financial year.

### **Dividends**

A final dividend for the 2020 financial year of 10 cents per ordinary share was declared on 22 September 2020 and paid on 13 November 2020. An interim dividend for the 2021 financial year of 10 cents per ordinary share was declared on 18 March 2021 and paid on 14 May 2021. On 21 September 2021 the directors declared a final dividend of 10 cents per ordinary share for the 2021 financial year amounting to N\$4 872 312. The total dividends declared for the 2021 financial year amounts to N\$ 9 744 624 (2020:N\$4 872 312).

# Paratus Namibia Holdings Limited

(Registration number: 2017/0558)

Condensed consolidated and separate financial statements  
for the year ended 30 June 2021

## Statement of responsibilities of the board of directors

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The directors are responsible for the preparation, integrity and objectivity of the Condensed consolidated and separate financial statements that fairly present the state of affairs of the group at the end of the period, the profit and cash flow for the period and other information contained in this report.

To enable the directors to meet these responsibilities:

- The board and management set standards and management implements systems of internal control, accounting and information systems aimed at providing reasonable assurance that assets are safeguarded and the risk of error, fraud or loss is reduced in a cost-effective manner. These controls, contained in established policies and procedures, include the proper delegation of responsibilities and authorities within a clearly defined framework, effective accounting procedures and adequate segregation of duties.
- The board audit, risk and compliance committees of the group, together with the external auditors, play an integral role in matters relating to financial and internal control, accounting policies, reporting and disclosure.

To the best of their knowledge and belief, based on the above, the directors are satisfied that no material breakdown in the operation of the systems of internal control and procedures has occurred during the period under review.

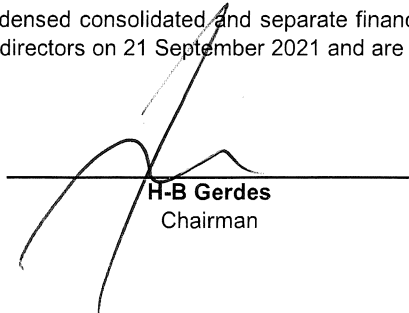
The group consistently adopts appropriate and recognised accounting policies and these are supported by reasonable and prudent judgements and estimates on a consistent basis.

The Condensed consolidated and separate financial statements presented on pages 7 to 27 have been prepared in accordance with the provisions of the Companies Act of Namibia, 28 of 2004 (Companies Act of Namibia) and comply with the International Accounting Standard, (IAS) 34 Interim Financial Reporting.

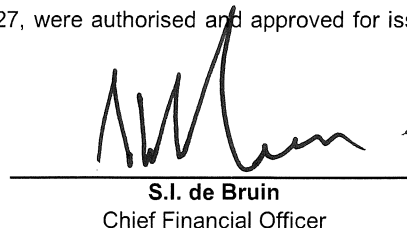
The directors are confident that the group will continue to operate as a going concern in the year ahead, based on forecasts and available cash resources. These financial statements have accordingly been prepared on a going concern basis.

The Condensed consolidated and separate financial statements have been reviewed by the independent auditing firm, PricewaterhouseCoopers, who was given unrestricted access to all financial records and related data, including minutes of all meetings of shareholders, the board of directors and committees of the board. The directors believe that all representations made to the independent auditor during the review were valid and appropriate. The independent auditor's review report is presented on pages 5 to 6.

The Condensed consolidated and separate financial statements, set out on pages 7 to 27, were authorised and approved for issue by the board of directors on 21 September 2021 and are signed on their behalf:



**H-B Gerdes**  
Chairman



**S.I. de Bruin**  
Chief Financial Officer



## **INDEPENDENT AUDITOR'S REVIEW REPORT ON CONDENSED CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS**

*To the Shareholders of Paratus Namibia Holdings Limited*

We have reviewed the condensed consolidated and separate financial statements of Paratus Namibia Holdings Limited, contained in the accompanying provisional report, which comprise the condensed consolidated and separate statements of financial position as at 30 June 2021 and the related condensed consolidated and separate statements of other comprehensive income, changes in equity and cash flows for the year then ended, and selected explanatory notes.

### *Directors' Responsibility for the Condensed Consolidated and Separate Financial Statements*

The directors are responsible for the preparation and presentation of these condensed consolidated and separate financial statements in accordance with the International Financial Reporting Standard, (IAS) 34 *Interim Financial Reporting*, the requirements of the NSX Listings Requirements for provisional reports, as set out in note 2 to the financial statements, and the requirements of the Companies Act of Namibia, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

### *Auditor's Responsibility*

Our responsibility is to express a conclusion on these financial statements. We conducted our review in accordance with International Standard on Review Engagements 2410, *Review of Interim Financial Information Performed by the Independent Auditor of the Entity*. ISRE 2410 requires us to conclude whether anything has come to our attention that causes us to believe that the financial statements are not prepared in all material respects in accordance with the applicable financial reporting framework. This standard also requires us to comply with relevant ethical requirements.

A review of financial statements in accordance with ISRE 2410 is a limited assurance engagement. We perform procedures, primarily consisting of making inquiries of management and others within the entity, as appropriate, and applying analytical procedures, and evaluate the evidence obtained.

The procedures in a review are substantially less than and differ in nature from those performed in an audit conducted in accordance with International Standards on Auditing. Accordingly, we do not express an audit opinion on these financial statements.

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*PricewaterhouseCoopers, Registered Auditors, 344 Independence Avenue, Windhoek, P O Box 1571, Windhoek, Namibia Practice Number 9406, T: + 264 (61) 284 1000, F: +264 (61) 284 1001, [www.pwc.com.na](http://www.pwc.com.na)*

Country Senior Partner: Chantell N Husselmann  
Partners: Louis van der Riet, Anna EJ Rossouw (Partner in charge: Coast), Gerrit Esterhuyse, Samuel N Ndahangwapo, Hans F Hashagen, Johannes P Nel, Hannes van den Berg, Willem A Burger



*Conclusion*

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed consolidated and separate financial statements of Paratus Namibia Holdings Limited for the year ended 30 June 2021 are not prepared, in all material respects, in accordance with the International Financial Reporting Standard, (IAS) 34 *Interim Financial Reporting*, the requirements of the NSX Listings Requirements for provisional reports, as set out in note 2 to the financial statements, and the requirements of the Companies Act of Namibia.

*PricewaterhouseCoopers*

PricewaterhouseCoopers  
Registered Accountants and Auditors  
Chartered Accountants (Namibia)  
Per: Louis van der Riet  
Partner  
Windhoek  
Date: 21 September 2021

# Paratus Namibia Holdings Limited

(Registration number: 2017/0558)

Condensed consolidated and separate financial statements  
for the year ended 30 June 2021

## Condensed consolidated and separate statements of other comprehensive income for the year ended 30 June 2021

Figures in Namibian Dollars	Notes	GROUP		COMPANY	
		Reviewed 12 months 30 June 2021	Audited 16 months 30 June 2020	Reviewed 12 months 30 June 2021	Audited 16 months 30 June 2020
Revenue		340 560 820	173 390 963	9 416 544	7 693 822
Cost of Sales		(160 196 955)	(78 090 616)	-	-
<b>Gross profit</b>		<b>180 363 865</b>	<b>95 300 347</b>	<b>9 416 544</b>	<b>7 693 822</b>
Other operating income	25	463 852	282 664	-	-
Other operating (losses) / gains	26	(39 013)	3 558 614	-	923 021
Operating expenses	27	(132 432 069)	(70 703 021)	(1 354 485)	(4 492 441)
<b>Operating profit</b>		<b>48 356 635</b>	<b>28 438 604</b>	<b>8 062 059</b>	<b>4 124 402</b>
Investment income		56 539	90 784	478 275	-
Finance costs		(6 164 938)	(4 024 915)	(478 275)	(1)
Income from equity accounted investments		-	6 662 882	-	-
<b>Profit before taxation</b>		<b>42 248 236</b>	<b>31 167 355</b>	<b>8 062 059</b>	<b>4 124 401</b>
Taxation	28	(13 272 005)	(5 741 566)	-	-
<b>Profit after taxation</b>		<b>28 976 231</b>	<b>25 425 789</b>	<b>8 062 059</b>	<b>4 124 401</b>
<b>Other comprehensive income:</b>					
Items that will not be reclassified to profit or loss:					
Gains on property revaluation		-	1 985 600	-	-
<b>Total comprehensive income</b>		<b>28 976 231</b>	<b>27 411 389</b>	<b>8 062 059</b>	<b>4 124 401</b>
<b>Total comprehensive income attributable to:</b>					
Equity holders of the parent entity		28 937 115	27 411 389	8 062 059	4 124 401
Non-controlling interests		39 116	-	-	-
		<b>28 976 231</b>	<b>27 411 389</b>	<b>8 062 059</b>	<b>4 124 401</b>
		<b>Cents</b>	<b>Cents</b>		
<b>Earnings per share attributable to the ordinary equity holders of the group:</b>					
Basic and diluted earnings per share	29	59.80	71.27		
Headline earnings per share	29	57.86	67.29		
Dividends per share	29	20.00	10.00		

The above Condensed consolidated and separate statements of other comprehensive income for the year ended 30 June 2021 should be read in conjunction with the accompanying notes.



# Paratus Namibia Holdings Limited

(Registration number: 2017/0558)

Condensed consolidated and separate financial statements  
for the year ended 30 June 2021

## Condensed consolidated and separate statements of financial position as at 30 June 2021

		GROUP		COMPANY	
		Reviewed	Audited	Reviewed	Audited
Figures in Namibian Dollars	Notes	30 June 2021	30 June 2020	30 June 2021	30 June 2020
<b>ASSETS</b>					
<b>Non-Current Assets</b>					
Property, plant and equipment	9	390 016 662	254 244 407	-	-
Right-of-use asset	10	2 013 764	1 771 687	-	-
Intangible assets	11	296 488 834	297 156 674	-	-
Investment in subsidiaries	12	-	-	427 644 393	427 644 393
Loans to related parties	13	-	220 231	236 500 000	-
		688 519 260	553 392 999	664 144 393	427 644 393
<b>Current Assets</b>					
Inventories		18 755 187	13 735 126	-	-
Loans to related parties	13	216 372	600 000	478 275	-
Trade and other receivables	14	40 022 452	29 922 149	-	-
Investments at fair value	15	159 856 281	115 096 827	27 811 598	75 185 754
Finance lease receivables		4 088	103 163	-	-
Current tax receivable		3 509 125	1 972 681	-	-
Cash and cash equivalents	16	11 049 026	20 965 432	10 090 103	4 941 605
		233 412 531	182 395 378	38 379 976	80 127 359
		921 931 791	735 788 377	702 524 369	507 771 752
<b>Total Assets</b>					
<b>EQUITY &amp; LIABILITIES</b>					
<b>Equity</b>					
Share capital	17	487 231	473 856	487 231	487 231
Share premium	17	500 187 472	486 437 972	500 187 472	500 187 472
Revaluation reserve		1 985 600	1 985 600	-	-
Retained income		47 575 481	28 382 990	540 223	2 222 789
Non-controlling interest		222 192	-	-	-
		550 457 976	517 280 418	501 214 926	502 897 492
<b>Non-Current Liabilities</b>					
Loans from related parties	13	266 004	-	-	-
Borrowings	18	200 000 000	64 889 735	200 000 000	-
Lease liabilities	10	1 392 845	1 364 059	-	-
Contract liabilities	19	88 444 920	79 480 705	-	-
Deferred tax	20	23 697 735	10 425 730	-	-
		313 801 504	156 160 229	200 000 000	-
<b>Current Liabilities</b>					
Trade and other payables	21	33 878 028	27 043 162	678 458	1 948
Borrowings	18	478 275	14 994 478	478 275	-
Lease liability	10	1 104 298	1 048 768	-	-
Contract liabilities	19	9 216 668	8 831 084	-	-
Provisions	22	8 860 735	5 648 675	114 409	-
Dividends payable	23	38 301	4 738 562	38 301	4 872 312
Bank overdraft	16	4 096 006	43 001	-	-
		57 672 311	62 347 730	1 309 443	4 874 260
		371 473 815	218 507 959	201 309 443	4 874 260
<b>Total Liabilities</b>					
		921 931 791	735 788 377	702 524 369	507 771 752
<b>Total Equity &amp; Liabilities</b>					

The above Condensed consolidated and separate statements of financial position should be read in conjunction with the accompanying notes.

# Paratus Namibia Holdings Limited

(Registration number : 2017/0558)

Condensed consolidated and separate financial statements  
for the year ended 30 June 2021

## Condensed consolidated and separate statements of changes in equity for the year ended 30 June 2021

	Stated share capital N\$	Share premium N\$	Total share capital N\$	GROUP Revaluation reserve N\$	Retained earnings N\$	Non- controlling N\$	Total equity N\$
Balance at 01 March 2019	287 107	292 121 115	292 408 222	-	7 695 764	-	300 103 986
- Profit for the year	-	-	-	-	25 425 789	-	25 425 789
- Other comprehensive income	-	-	-	1 985 600	-	-	1 985 600
Total comprehensive income for the period	-	-	-	1 985 600	25 425 789	-	27 411 389
Issue of shares	186 749	194 316 857	194 503 606	-	-	-	194 503 606
Dividends declared	-	-	-	-	(4 738 562)	-	(4 738 562)
Total contributions by and distributions to owners of company recognised directly in equity	186 749	194 316 857	194 503 606	-	(4 738 562)	-	189 765 044
Balance as at 01 July 2020	473 856	486 437 972	486 911 828	1 985 600	28 382 990	-	517 280 418
- Profit for the year	-	-	-	-	28 937 115	39 116	28 976 231
- Other comprehensive income	-	-	-	-	-	-	-
Total comprehensive income for the year	-	-	-	-	28 937 115	39 116	28 976 231
Cross-holding shares sold	13 375	13 749 500	13 762 875	-	-	-	13 762 875
Acquisition of subsidiary	-	-	-	-	-	183 076	183 076
Dividends declared	-	-	-	-	(9 744 625)	-	(9 744 625)
Total contributions by and distributions to owners of company recognised directly in equity	13 375	13 749 500	13 762 875	-	(9 744 625)	183 076	4 201 326
Balance as at 30 June 2021	487 231	500 187 472	500 674 703	1 985 600	47 575 480	222 192	550 457 975
<b>Notes</b>	<b>17</b>	<b>17</b>	<b>17</b>				

	Stated share capital N\$	Share premium N\$	COMPANY Total share capital N\$	Revaluation reserve N\$	Retained earnings N\$	Total equity N\$
Balance at 01 March 2019	287 107	292 121 115	292 408 222	-	2 970 700	295 378 922
- Profit for the year	-	-	-	-	4 124 401	4 124 401
- Other comprehensive income	-	-	-	-	-	-
Total comprehensive income for the period	-	-	-	-	4 124 401	4 124 401
Issue of shares	200 124	208 066 357	208 266 481	-	-	208 266 481
Dividends declared	-	-	-	-	(4 872 312)	(4 872 312)
Total contributions by and distributions to owners of company recognised directly in equity	200 124	208 066 357	208 266 481	-	(4 872 312)	203 394 169
Balance as at 01 July 2020	487 231	500 187 472	500 674 703	-	2 222 789	502 897 492
- Profit for the year	-	-	-	-	8 062 059	8 062 059
- Other comprehensive income	-	-	-	-	-	-
Total comprehensive income for the year	-	-	-	-	8 062 059	8 062 059
Dividends declared	-	-	-	-	(9 744 625)	(9 744 625)
Total contributions by and distributions to owners of company recognised directly in equity	-	-	-	-	(9 744 625)	(9 744 625)
Balance as at 30 June 2021	487 231	500 187 472	500 674 703	-	540 223	501 214 926
<b>Notes</b>	<b>17</b>	<b>17</b>	<b>17</b>			

The above Condensed consolidated and separate statements of changes in equity should be read in conjunction with the accompanying notes.

**Paratus Namibia Holdings Limited**  
(Registration number : 2017/0558)  
**Condensed consolidated and separate financial statements**  
for the year ended 30 June 2021

**Condensed consolidated and separate statements of cash flows as at 30 June 2021**

Figures in Namibian Dollars	Notes	GROUP		COMPANY	
		Reviewed	Audited	Reviewed	Audited
		12 months	16 months	12 months	16 months
		Jun-21	Jun-20	Jun-21	Jun-20
<b>Cash flows from operating activities</b>					
Cash generated from operations	24	95 186 319	60 696 473	(563 568)	(4 563 439)
Interest Paid		(5 536 000)	(3 850 172)	-	(1)
Interest Received		56 539	90 784	-	-
Tax paid		(1 536 444)	(153 635)	-	-
Net cash from operating activities		88 170 414	56 783 450	(563 568)	(4 563 440)
<b>Cash flows from investing activities</b>					
Acquisition of property, plant and equipment	9	(174 023 381)	(35 825 943)	-	-
Proceeds on disposal of property, plant and equipment		148 349	30 348	-	-
Acquisition of intangible assets	11	(4 086 289)	(187 506)	-	-
Cross-holding shares sold		14 645 625	-	-	-
Lease receipts		99 075	95 285	-	-
Acquisition of subsidiary	12	(2 080 000)	-	-	-
Movement in investments		-	(417 620)	-	(26 109 445)
Deposits into money market funds and similar securities	15	(261 734 924)	-	(47 161 000)	-
Withdrawals from money market funds and similar securities	15	221 026 087	11 600 386	97 451 701	37 292 210
Cash acquired from subsidiary acquisition	12	196	(1 911 450)	-	-
Net cash (used in) / from investing activities		(206 005 262)	(26 616 500)	50 290 701	11 182 765
<b>Cash flows from financing activities</b>					
Issue costs directly attributable to share issue		-	(1 864 045)	-	(1 864 045)
Proceeds from related party loans repayment		603 859	461 164	-	-
Related party loan received		266 004	-	-	-
Repayment of borrowings		(79 884 213)	(6 635 541)	-	-
Proceeds from borrowings	18	200 000 000	-	200 000 000	-
Loan advanced to subsidiary		-	-	(230 000 000)	-
Payment on lease liabilities	10	(1 188 707)	(817 825)	-	-
Dividends paid		(14 444 885)	-	(14 578 635)	-
Net cash from / (used in) financing activities		105 352 058	(8 856 247)	(44 578 635)	(1 864 045)
(Decrease) / Increase in cash equivalents		(12 482 791)	21 310 703	5 148 498	4 755 280
Cash equivalents at beginning of period		20 922 431	186 325	4 941 605	186 325
Effect of exchange rates on cash and cash equivalents		(1 486 620)	(574 597)	-	-
Cash equivalents at end of period	16	6 953 020	20 922 431	10 090 103	4 941 605

The above Condensed consolidated and separate statements of cash flows should be read in conjunction with the accompanying notes.

# Paratus Namibia Holdings Limited

(Registration number : 2017/0558)

Condensed consolidated and separate financial statements  
for the year ended 30 June 2021

## Notes to the financial statements for the year ended 30 June 2021

### 1. General information

#### Nature of the business

Paratus Namibia Holdings Limited was incorporated in Namibia and is an investment holding company. Paratus Telecommunications (Proprietary) Limited, a wholly owned subsidiary of Paratus Namibia Holdings Limited, was incorporated in Namibia and operates in the information and communications technology industry.

Paratus Namibia Holdings Limited is listed on the Namibian Stock Exchange ("NSX").  
Sector: Technology, Technology Hardware and Equipment, Telecommunications Equipment  
Share code: PNH  
ISIN: NA000A2DTQ42  
Company registration number: 2017/0558

There have been no material changes to the nature of the company's business from the prior year.

### 2. Basis of presentation

The reviewed condensed consolidated financial statements for the year ended 30 June 2021, is prepared in accordance with the requirements of the NSX Listings Requirements for provisional reports and the requirements of the Companies Act of Namibia. The Listings Requirements require provisional reports to be prepared according to the framework concepts and the measurement and recognition requirements of International Financial Reporting Standards (IFRS) and to also, as a minimum, contain the information required by IAS34 Interim Financial Reporting.

### 3. Accounting policies

The accounting policies applied in the preparation of the condensed consolidated financial statements are in terms of IFRS and are consistent with those applied in the previous annual financial statements, except for the adoption of new or revised accounting standards as set out in the condensed consolidated financial statements. Selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in financial position and performance since the last annual financial statements.

### 4. Standards and interpretations issued affecting amounts reported and disclosures in the current financial year

#### Standard/ Interpretation:

#### Covid - 19 - Related Rent Concessions - Amendment to IFRS 16

The COVID-19 pandemic has resulted in an amendment to IFRS 16 Leases. Lessees may elect not to assess whether a rent concession that meets the conditions in paragraph 46B is a lease modification. If this election is applied, then any change in lease payments must be accounted for in the same way as a change would be accounted for if it were not a lease modification. This practical expedient only applies to rent concessions occurring as a direct consequence of the COVID-19 pandemic and only if:

- the change in lease payments results in revised consideration for the lease that is substantially the same as, or less than, the consideration for the lease immediately preceding the change;
- any reduction in lease payment affects only payments originally due on or before 30 June 2021 and
- there is no substantive change to other terms and conditions of the lease.

The effective date of the amendment is for years beginning on or after 01 January 2021. This amendment has no material impact on the condensed consolidated financial statements.

#### Definition of a business - Amendments to IFRS 3

The amendment:

- confirmed that a business must include inputs and a processes, and clarified that the process must be substantive and that the inputs and process must together significantly contribute to creating outputs.
- narrowed the definitions of a business by focusing the definition of outputs on goods and services provided to customers and other income from ordinary activities, rather than on providing dividends or other economic benefits directly to investors or lowering costs; and
- added a test that makes it easier to conclude that a company has acquired a group of assets, rather than a business, if the value of the assets acquired is substantially all concentrated in a single asset or group of similar assets.

The effective date of the amendment is for years beginning on or after 01 January 2020. This amendment has no material impact on the condensed consolidated financial statements.

#### Presentation of Financial Statements: Disclosure initiative

The amendment clarify and align the definition of 'material' and provide guidance to help improve consistency in the application of that concept whenever it is used in IFRS Standards.

The effective date of the amendment is for years beginning on or after 01 January 2020. This disclosure initiative has no material impact on the condensed consolidated financial statements.

# Paratus Namibia Holdings Limited

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## Notes to the financial statements for the year ended 30 June 2021

### 4. Standards and interpretations issued affecting amounts reported and disclosures in the current financial year (continued)

#### Standard/ Interpretation:

#### Accounting Policies, Changes in Accounting Estimates and Errors: Disclosure initiative

The amendment clarify and align the definition of 'material' and provide guidance to help improve consistency in the application of that concept whenever it is used in IFRS Standards.

The effective date of the amendment is for years beginning on or after 01 January 2020. This disclosure initiative has no material impact on the condensed consolidated financial statements.

### 5. Standards and interpretations not yet effective

The company has chosen not to early adopt the following standards and interpretations, which have been published and are mandatory for the company's accounting periods beginning on or after 01 July 2021 or later periods:

#### Standard/ Interpretation:

#### Effective date: Expected impact:

#### Years beginning on or after

• Disclosure of accounting policies: Amendments to IAS 1 and IFRS Practice statement 2	01 January 2023	Unlikely there will be a material impact
• Definition of accounting estimates: Amendments to IAS 8	01 January 2023	Unlikely there will be a material impact
• Classification of Liabilities as Current or Non-current: Amendments to IAS 1	01 January 2023	Unlikely there will be a material impact
• Annual improvement to IFRS Standards 2018 - 2020: Amendments to IFRS 1	01 January 2022	Unlikely there will be a material impact
• Reference to Conceptual Framework: Amendments to IFRS 3	01 January 2022	Unlikely there will be a material impact
• Annual improvements to IFRS Standards 2018 - 2020: Amendments to IFRS 9	01 January 2022	Unlikely there will be a material impact
• Property, Plant and equipment: proceeds before intended use: Amendments to IAS 16	01 January 2022	Unlikely there will be a material impact
• Onerous contracts - cost of fulfilling a contract: amendments to IAS 37	01 January 2022	Unlikely there will be a material impact
• Annual improvements to IFRS Standard 2018 - 2020: Amendments to IAS 41	01 January 2022	Unlikely there will be a material impact
• Interest Rate Benchmark Reform - Phase 2: Amendments to IFRS 4	01 January 2021	Unlikely there will be a material impact
• Interest Rate Benchmark Reform - Phase 2: Amendments to IFRS 7	01 January 2021	Unlikely there will be a material impact
• Interest Rate Benchmark Reform - Phase 2: Amendments to IFRS 9	01 January 2021	Unlikely there will be a material impact
• Interest Rate Benchmark Reform - Phase 2: Amendments to IFRS 16	01 January 2021	Unlikely there will be a material impact
• Interest Rate Benchmark Reform - Phase 2: Amendments to IAS 39	01 January 2021	Unlikely there will be a material impact

### 6. Seasonality of operations

Paratus Namibia Holdings Limited Group does not experience any significant seasonality of business operations.

### 7. Financial risk management and financial instruments

The group's activities expose it to a variety of financial risks: market risks (including currency risk, fair value interest rate risk, cash flow interest rate risk and price risk), credit risk and liquidity risk.

The reviewed condensed consolidated financial statements do not include all financial risk management information and disclosures required in the financial statements; they should be read in conjunction with the group's annual financial statements. There have been no significant changes in the risk management policies since the prior year-end.

### 8. Income taxation expense

Income taxation expense is recognised based on an statutory income taxation rate of 32%.

The company did not earn any taxable income for the year under review.

### 9. Property, plant and equipment

	GROUP 12 months ended 30 June 2021				
	N\$	N\$	N\$	N\$	N\$
	Opening balance as at 1 July 2020	Additions / revaluation	Disposals/ transfers	Depreciation	Closing Balance
Land and buildings	50 020 000	10 310 005	-	-	60 330 005
Fiber - TKF	57 667 580	1 055 505	-	(5 196 950)	53 526 135
Infrastructure	94 849 770	105 451 605	11 293 363	(8 565 697)	203 029 041
Core network assets	25 809 351	13 889 967	(15 653)	(13 864 674)	25 818 991
Equipment	11 945 890	13 931 798	(47 778)	(9 533 793)	16 296 117
Furniture & Fittings	875 942	288 461	-	(495 879)	668 524
Motor Vehicles	2 516 496	1 236 060	-	(911 915)	2 840 641
Capital Work in Progress	10 559 378	28 241 193	(11 293 363)	-	27 507 208
	254 244 407	174 404 594	(63 431)	(38 568 908)	390 016 662

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### 9. Property, plant and equipment (continued)

	GROUP				
	16 months ended 30 June 2020				
	N\$	N\$	N\$	N\$	N\$
	Additions through business combination	Additions / revaluation	Disposals	Depreciation	Closing Balance
Land and buildings	47 100 000	2 920 000	-	-	50 020 000
Fiber - TKF	60 225 054	-	-	(2 557 474)	57 667 580
Infrastructure Equipment	80 245 140	16 973 552	-	(2 368 922)	94 849 770
Core network assets	31 816 951	1 256 733	-	(7 264 333)	25 809 351
Equipment	8 603 102	6 662 493	(18 946)	(3 300 759)	11 945 890
Furniture & Fittings	828 130	373 787	-	(325 975)	875 942
Motor Vehicles	2 968 314	-	-	(451 818)	2 516 496
Capital work in progress	-	10 559 378	-	-	10 559 378
	231 786 691	38 745 943	(18 946)	(16 269 281)	254 244 407

In the current year additions / revaluations on property plant and equipment include assets acquired as a result of a business combination amounts to N\$381 213, (refer note 12).

#### Details of owner occupied land and buildings

##### Erf no. 232 (a portion of Erf 231), Prosperita

- Land and building at cost
- Improvements since acquisition
- Revaluations since acquisition

GROUP	
12 months ended 30 June 2021	16 months ended 30 June 2020
N\$	N\$
470 000	470 000
1 125 306	1 125 306
9 924 694	9 924 694
11 520 000	11 520 000

Property consists of Erf No.232 (a portion of Erf 231), Prosperita, in the Municipality of Windhoek, Registration Division "K", measuring 1,343 square meters. Held under Registered Deed of Transfer T0070/2008.

##### Erf no. 348, Prosperita

- Land and building at cost
- Improvements since acquisition
- Revaluations since acquisition

3 500 000	3 500 000
18 876 499	18 876 499
16 123 501	16 123 501
38 500 000	38 500 000

Property consists of Erf No. 348, Prosperita, in the Municipality of Windhoek, Registration Division "K", measuring 2,638 square meters. Registered under Deed of Transfer T5746/2008.

##### Erf 5360, Swakopmund

- Land at cost

955 000	-
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Property consists of Erf 5360, in the Municipality of Swakopmund, Registration Division "G", measuring 1,000 square meters. The construction of the Cable Landing Station for the Equiano sub-sea cable in Swakopmund has commenced. The project is expected to be completed during September 2021 at an expected cost of N\$38 million. The Cable Landing Station consists of the building and other terminal facilities which is required to land the Equiano Submarine Cable System. Total capital expenditure towards this project at year-end amounts to N\$19 829 026. Work-in-progress relating to this project amounts to N\$18 874 027.

##### Portion 361 (a portion of portion 26) of the farm Brakwater no. 48

- Land at cost

9 355 005	-
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Property consists of Portion 361 (a portion of portion 26) of the farm Brakwater no. 48, in the Municipality of Windhoek, Registration Division "K", measuring 12,986 square meters. The acquisition of the erf to construct the data center (Tier-3 by design) has been finalised. The total cost of the erf amounts to N\$9 355 005. Construction has commenced. The project is expected to be completed during the third quarter of 2022 at a total cost of N\$123 million. Total capital expenditure towards this project at year-end amounts to N\$17 988 190. Work-in-progress relating to this project amounts to N\$8 633 185.

The effective date of the revaluations of land and buildings held, dated 02 December 2019. Revaluations were performed by an independent valuer, E. Liniko (valuation surveyor) of RMC Property Services. RMC Property Services is not connected to the company and have recent experience in location and category of the land and buildings valued.

The valuation was based on open market value for existing use.

At year-end the directors performed a desktop valuation of the Prosperita erven and based on the valuation the fair value of the investment property approximates its carrying amount.

Property, plant and equipment are tangible assets which the company holds for its own use or for rental to others and which are expected to be used for more than one year.

An item of property, plant and equipment is recognised as an asset when it is probable that future economic benefits associated with the item will flow to the company, and the cost of the item can be measured reliably.

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### 9. Property, plant and equipment (continued)

Property, plant and equipment is initially measured at cost. Cost includes all of the expenditure which is directly attributable to the acquisition or construction of the asset, including the capitalisation of borrowing costs on qualifying assets and adjustments in respect of hedge accounting, where appropriate.

Subsequent to initial recognition, property, plant and equipment is measured at cost less accumulated depreciation and any accumulated impairment losses, except for land and buildings which are stated at revalued amounts. The revalued amount is the fair value at the date of revaluation.

Revaluations are made with sufficient regularity, by an independent valuer, such that the carrying amount does not differ materially from that which would be determined using fair value at the end of the reporting year.

Expenditure incurred subsequently for major services, additions to or replacements of parts of property, plant and equipment are capitalised if it is probable that future economic benefits associated with the expenditure will flow to the company and the cost can be measured reliably. Day to day servicing costs are included in profit or loss in the period in which they are incurred. Subsequent to initial recognition, property, plant and equipment is measured at cost less accumulated depreciation and any accumulated impairment losses, except for land and buildings which are restated at revalued amounts.

Depreciation of an asset commences when the asset is available for use as intended by management. Depreciation is charged to write off the asset's carrying amount over its estimated useful life to its estimated residual value, using a method that best reflects the pattern in which the asset's economic benefits are consumed by the company. Leased assets are depreciated in a consistent manner over the shorter of their expected useful lives and the lease term. Depreciation is not charged to an asset if its estimated residual value exceeds or is equal to its carrying amount. Depreciation of an asset ceases at the earlier of the date that the asset is classified as held for sale or derecognised.

The useful lives of items of property, plant and equipment have been assessed as follows:

Item	Average useful life	Method	Residual value
Land	Indefinite life	Not applicable	Not applicable
Buildings	20 years	Straight line	46 050 000
Fiber (passive equipment)	20 years	Straight line	Nil
Fiber (active equipment)	5 years	Straight line	Nil
Infrastructure	20 years	Straight line	Nil
Core network assets	5 years	Straight line	Nil
Equipment	3 to 5 years	Straight line	Nil
Furniture and fittings	5 years	Straight line	Nil
Motor vehicles	4 years	Straight line	Nil

The residual value, useful life and depreciation method of each asset are reviewed at the end of each reporting period. If the expectations differ from previous estimates, the change is accounted for prospectively as a change in accounting estimate.

Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item is depreciated separately.

The depreciation charge for each period is recognised in profit or loss unless it is included in the carrying amount of another asset.

Impairment tests are performed on property, plant and equipment when there is an indicator that they may be impaired. When the carrying amount of an item of property, plant and equipment is assessed to be higher than the estimated recoverable amount, an impairment loss is recognised immediately in profit or loss to bring the carrying amount in line with the recoverable amount.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its continued use or disposal. Any gain or loss arising from the derecognition of an item of property, plant and equipment, determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item, is included in profit or loss when the item is derecognised.

### 10. Leases (company as a lessee)

The group assesses whether a contract is, or contains a lease, at the inception of the contract.

A contract is, or contains a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

In order to assess whether a contract is, or contains a lease, management determine whether the asset under consideration is "identified", which means that the asset is either explicitly or implicitly specified in the contract and that the supplier does not have a substantial right of substitution throughout the period of use. Once management has concluded that the contract deals with an identified asset, the right to control the use thereof is considered. To this end, control over the use of an identified asset only exists when the company has the right to substantially all of the economic benefits from the use of the asset as well as the right to direct the use of the asset.

The group accounted for a right-of-use asset acquired through a business combination with a book value amounting to N\$2 538 241 at 1 January 2020. Right-of-use assets are classified separately and pertain to lease agreements on buildings only. The group leases various properties. Rental contracts are typically made for fixed periods of 3 years but may have extension options as described below. Lease terms are negotiated on an individual basis and contain a range of different terms and conditions. The lease agreements do not impose covenants, but leased assets may not be used as security for borrowing purposes.

Leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the company. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to profit or loss over the lease period so to produce a constant periodic rate of interest on the remaining balance of the liability each period. The right-of-use asset is depreciated over the shorter of the asset's useful life and the lease term on a straight line basis.

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### 10. Leases (company as a lessee) (continued)

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable
- variable lease payment that are based on an index or a rate

The lease payments are discounted using the interest rate implicit in the lease, if that rate can be determined, or the company's incremental borrowing rate.

Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability
- any lease payments made at or before the commencement date less any lease incentives received, and
- any initial direct costs

Payments associated with short-term leases and leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less. Low-value assets comprise IT equipment.

Extension and termination options are included in the property leases. These terms are used to maximise operational flexibility in terms of managing contracts. The majority of extension and termination options held are exercisable by both parties.

Details pertaining to leasing arrangements, where the company is a lessee are presented below:

	GROUP	
	12 months ended 30 June 2021 N\$	16 months ended 30 June 2020 N\$
<b>Net carrying amount of right-of-use assets</b>		
The carrying amount of right of use assets are as follows:		
Buildings	2 013 764	1 771 687
<b>Additions to right-of-use assets</b>		
Buildings	-	125 470
<b>Depreciation recognised on right-of-use assets</b>		
Buildings	(880 282)	(600 147)

Depreciation recognised includes depreciation which has been expensed in the total depreciation charge in profit or loss, as well as depreciation which has been capitalised to the cost of other assets. Right-of-use assets are depreciated over the term of the respective lease and is assessed on a regular basis.

On 30 June 2020 all qualifying leases was reassessed and a lease modification has been accounted for. A gain on lease modification amounting to N\$Nil (30 June 2020: N\$499 568) has been accounted for under other operating gains.

### Other disclosures

Interest expense on lease liabilities	(150 663)	(174 743)
Expenses on short term leases included in operating expenses	(412 536)	(113 173)
Total cash flow from leases	(1 188 707)	(817 825)

### Lease liabilities

Lease liabilities acquired through a business combination dated 1 January 2020, amounted to N\$3 718 649.

	GROUP		COMPANY	
	12 months ended 30 June 2021 N\$	16 months ended 30 June 2020 N\$	12 months ended 30 June 2021 N\$	16 months ended 30 June 2020 N\$
Non-current liabilities	1 392 845	1 364 059	-	-
Current liabilities	1 104 298	1 048 768	-	-
	2 497 143	2 412 827	-	-

The future minimum lease payments in relation to leases are as follow:

	GROUP		COMPANY	
	12 months ended 30 June 2021 N\$	16 months ended 30 June 2020 N\$	12 months ended 30 June 2021 N\$	16 months ended 30 June 2020 N\$
Within one year	2 716 035	2 659 391	-	-
Two to five years	1 256 809	1 199 423	-	-
	1 459 226	1 459 968	-	-

Future minimum lease payments include capital and interest.



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### 11. Intangible assets

An intangible asset is recognised when:

- it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity; and
- the cost of the asset can be measured reliably.

Intangible assets are initially recognised at cost.

Expenditure on research (or on the research phase of an internal project) is recognised as an expense when it is incurred.

Intangible assets are carried at cost less any accumulated amortisation and any impairment losses.

An intangible asset is regarded as having an indefinite useful life when, based on all relevant factors, there is no foreseeable limit to the period over which the asset is expected to generate net cash inflows. Amortisation is not provided for these intangible assets, but they are tested for impairment annually and whenever there is an indication that the asset may be impaired. For all other intangible assets amortisation is provided on a straight line basis over their useful life.

The amortisation period and the amortisation method for intangible assets are reviewed every period-end.

Amortisation is provided to write down the intangible assets, on a straight line basis, to their residual values as follows:

Item	Average useful life	Method
Paratus Brand	6 years	Straight line
Telecommunications License / Network Spectrum	Indefinite life	Not applicable
Free right of use (Fiber capacity - Botswana)	18.17 years	Straight line
Computer software	3 years	Straight line
Goodwill	Indefinite life	Not applicable
Customer base	12 years	Straight line
Customer relationship - Botswana Fiber Network	20 years	Straight line

	GROUP 12 months ended 30 June 2021				
	N\$	N\$	N\$	N\$	N\$
	Opening balance as at 1 July 2020	Additions / revaluations	Disposals	Amortisation	Closing Balance
Paratus Brand	15 231 700	-	-	(2 769 400)	12 462 300
Telecommunications License / Network Spectrum	241 408 500	-	-	-	241 408 500
Free right of use (Fiber capacity - Botswana)	24 506 422	-	-	(1 387 156)	23 119 266
Computer software	1 930 559	4 086 289	-	(1 947 777)	4 069 071
Goodwill	10 406 074	1 881 668	-	-	12 287 742
Customer base	836 266	-	-	(385 969)	450 297
Customer relationship - Botswana Fiber Network	2 837 153	-	-	(145 495)	2 691 658
	297 156 674	5 967 957	-	(6 635 797)	296 488 834

	GROUP 16 months ended 30 June 2020				
	N\$	N\$	N\$	N\$	N\$
	Additions through business combination	Additions / revaluations	Disposals	Amortisation	Closing Balance
Paratus Brand	16 616 400	-	-	(1 384 700)	15 231 700
Telecommunications License / Network Spectrum	241 408 500	-	-	-	241 408 500
Free right of use (Fiber capacity - Botswana)	25 200 000	-	-	(693 578)	24 506 422
Computer software	2 576 225	187 506	-	(833 171)	1 930 559
Goodwill	10 406 074	-	-	-	10 406 074
Customer base	1 029 250	-	-	(192 984)	836 266
Customer relationship - Botswana Fiber Network	2 909 900	-	-	(72 748)	2 837 153
	300 146 349	187 506	-	(3 177 181)	297 156 674

On 1 June 2021 Paratus Telecommunications (Pty) Limited acquired a 52% interest in Bitstream Internet Solutions (Proprietary) Limited through a business combination resulting in goodwill to the amount of N\$1 881 668. On 1 January 2020 the group acquired intangible assets with a book value of N\$300 146 349 through a business combination. Intangible assets are amortised over their useful lives, except for the telecommunications license / network spectrum and goodwill which have indefinite useful lives. Intangible assets with indefinite useful lives are tested for impairment and all impairment losses are accounted for in profit or loss. At the end of the reporting period there were no indicators for impairment.

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### 12. Investment in subsidiaries

The following table lists the entities controlled directly and indirectly by the group and company:

#### Company interest held directly by Paratus Namibia Holdings Limited

Name of company	% voting power 2021	% voting power 2020	% holding 2021	% holding 2020
Paratus Telecommunications (Proprietary) Limited	100%	100%	100%	100%

#### Group interests held indirectly - held by Paratus Telecommunications (Proprietary) Limited

Name of company	% voting power 2021	% voting power 2020	% holding 2021	% holding 2020
Internet Technologies Namibia (Proprietary) Limited	100%	100%	100%	100%
Paratus Properties (Proprietary) Limited	100%	100%	100%	100%
Paratus Property Two (Proprietary) Limited	100%	100%	100%	100%
Paratus Voice Telecommunications (Proprietary) Limited	100%	100%	100%	100%
Bitstream Internet Solutions (Proprietary) Limited	52%	0%	52%	0%

The following table lists the carrying amounts of the investments:

#### Company interest held directly by Paratus Namibia Holdings Limited

	Carrying amount 2021 N\$	Carrying amount 2020 N\$
Paratus Telecommunications (Proprietary) Limited	427 644 393	427 644 393

#### Group interests held indirectly - held by Paratus Telecommunications (Proprietary) Limited

	Carrying amount 2021 N\$	Carrying amount 2020 N\$
Internet Technologies Namibia (Proprietary) Limited	10 000	10 000
Paratus Properties (Proprietary) Limited	8 933 207	8 933 207
Paratus Property Two (Proprietary) Limited	14 498 004	14 498 004
Paratus Voice Telecommunications (Proprietary) Limited	100	100
Bitstream Internet Solutions (Proprietary) Limited	2 080 000	-

The carrying amounts of the subsidiaries are shown net of impairment losses.

### Business combination

On 1 June 2021 Paratus Telecommunications (Proprietary) Limited acquired a 52% interest in Bitstream Internet Solutions (Proprietary) Limited, through a business combination. On 1 January 2020 Paratus Namibia Holdings Limited acquired 100% interest in Paratus Telecommunications (Pty) Ltd, through a business combination.

Details of the purchase consideration, the net assets acquired and goodwill, are as follows:

	12 months ended 30 June 2021 N\$	16 months ended 30 June 2020 N\$
Fair value of consideration transferred	2 080 000	210 130 526
Fair value of previously held equity interest	-	228 901 814
Fair value of purchase consideration	2 080 000	439 032 340
The assets and liabilities recognised as a result of the acquisition are as follows:		
Cash and cash equivalents	196	1 214 305
Property, plant and equipment	381 213	234 327 539
Intangible assets	-	6 051 456
Telecommunications License / Network Spectrum	-	241 408 500
Paratus Brand	-	16 616 400
Free right of use (Fiber capacity - Botswana)	-	25 200 000
Customer relationship (Botswana Fiber Network)	-	2 909 900
Loans to related parties	-	1 281 395
Finance lease receivables	-	198 448
Inventories	-	16 368 927
Trade receivables	-	38 284 384
Investments at fair value	-	52 314 956
Lease liabilities	-	(3 721 160)
Borrowings	-	(86 519 754)
Contract liabilities	-	(89 267 756)
Taxation payable	-	(985 500)
Provisions	-	(2 144 082)
Payables	-	(18 394 739)
Bank overdrafts	-	(3 125 755)
Net deferred taxation asset	-	(945 218)
Net identifiable assets acquired	381 409	431 072 246
Add: Goodwill	1 881 668	7 960 094
Less: Non-controlling interest	(183 076)	-
	2 080 000	439 032 340

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### 12. Investment in subsidiaries (continued)

On date of acquisition the difference between the net asset value and the fair value of the investment resulted in a goodwill amount of N\$1 881 668 (30 June 2020: N\$294 million). This amount was allocated to the following intangible assets (refer note 11):

Telecommunications License / Network Spectrum	-	241 408 500
Paratus Brand	-	16 616 400
Free right of use (Fiber capacity - Botswana)	-	25 200 000
Customer relationship (Botswana Fiber Network)	-	2 909 900
Goodwill	1 881 668	7 960 094
	<u>1 881 668</u>	<u>294 094 894</u>

### 13. Loans to related parties

	GROUP		COMPANY	
	12 months ended 30 June 2021 N\$	16 months ended 30 June 2020 N\$	12 months ended 30 June 2021 N\$	16 months ended 30 June 2020 N\$
<b>Loans to related parties</b>				
<b>Paratus Telecommunications (Proprietary) Limited - Namibia</b>	-	-	36 500 000	-
This loan bears no interest and has no fixed repayment terms other than a twelve month notice period for repayment.				
<b>Paratus Telecommunications (Proprietary) Limited - Namibia</b>	-	-	200 478 275	-
This loan bears interest per Pricing Supplements for the N\$25 million and N\$175 million Notes issued. Repayment terms to be back-to-back with the Medium Term Note Programme's applicable Pricing Supplement for the three years notes and five years notes issued by the Group, subject to a twelve month written notice period for repayment.				
<b>Canocopy (Proprietary) Limited - Namibia</b>	216 372	820 231	-	-
This loan bears interest at a prime linked interest rate and repayable in equal monthly instalments of N\$50 000.				
<b>Misty Bay Investments One Hundred and Forty Close Corporation</b>	(266 004)	-	-	-
This loan bears no interest and has no fixed repayment terms other than a twelve month notice period for repayment.				
Non-current assets	-	220 231	236 500 000	-
Current assets	216 372	600 000	478 275	-
	<u>216 372</u>	<u>820 231</u>	<u>236 978 275</u>	<u>-</u>
Non-current liabilities	(266 004)	-	-	-
Current liabilities	-	-	-	-
	<u>(266 004)</u>	<u>-</u>	<u>-</u>	<u>-</u>

### 14. Trade and other receivables

	GROUP		COMPANY	
	12 months ended 30 June 2021 N\$	16 months ended 30 June 2020 N\$	12 months ended 30 June 2021 N\$	16 months ended 30 June 2020 N\$
<b>Financial instruments</b>	<b>22 958 041</b>	<b>20 372 807</b>	<b>-</b>	<b>-</b>
Customer receivables	25 406 560	22 031 652	-	-
Loss Allowance	(3 139 686)	(2 637 091)	-	-
Sundry debtors	83 435	380 514	-	-
Deposits	607 732	597 732	-	-
<b>Non-financial instruments</b>	<b>17 064 411</b>	<b>9 549 342</b>	<b>-</b>	<b>-</b>
Prepayments	7 726 167	7 055 149	-	-
VAT receivable	9 338 244	2 494 193	-	-
<b>Total trade and other receivables</b>	<b>40 022 452</b>	<b>29 922 149</b>	<b>-</b>	<b>-</b>

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## Notes to the financial statements for the year ended 30 June 2021

### 15. Investments at fair value

	GROUP		COMPANY	
	12 months ended 30 June 2021 N\$	16 months ended 30 June 2020 N\$	12 months ended 30 June 2021 N\$	16 months ended 30 June 2020 N\$
IJG Corporate Money Market Solutions	159 856 281	115 096 827	27 811 598	75 185 754
Cirrus Capital Money Market Fund	-	39 911 073	-	-
Capricorn Corporate fund	132 044 684	-	-	-
Old Mutual Corporate Fund	10 002 675	7 948 198	10 002 675	7 948 198
	17 808 922	67 237 556	17 808 922	67 237 556

#### Details of Money market fund:

##### IJG Corporate Money Market Solutions

Opening balance / acquisition through business combination	39 911 073	38 552 080	-	-
Withdrawals	(40 856 197)	-	-	-
Deposits	-	-	-	-
Dividends	945 124	1 358 993	-	-
	-	39 911 073	-	-

##### Cirrus Capital Money Market Fund

Opening balance / acquisition through business combination	-	-	-	-
Withdrawals	(82 718 189)	-	-	-
Deposits	214 573 924	-	-	-
Dividends	188 949	-	-	-
	132 044 684	-	-	-

##### Capricorn Corporate fund

Opening balance 01 July / (01 March)	7 948 198	43 293 027	7 948 198	43 293 027
Withdrawals	(45 380 700)	(37 292 211)	(45 380 700)	(37 292 211)
Deposits	47 161 000	-	47 161 000	-
Dividends	274 177	1 947 382	274 177	1 947 382
	10 002 675	7 948 198	10 002 675	7 948 198

##### Old Mutual Corporate Fund

Opening balance 01 July / (01 March)	67 237 556	61 491 115	67 237 556	61 491 115
Withdrawals	(52 071 001)	-	(52 071 001)	-
Deposits	-	-	-	-
Dividends	2 642 367	5 746 441	2 642 367	5 746 441
	17 808 922	67 237 556	17 808 922	67 237 556

#### Fair value hierarchy

Investments at fair value are classified as level 2 financial instruments.

Level 2 financial instruments are valued at prices relative to prices in the market.

No transfers of financial instruments have been made between fair value hierarchy levels during the year ended 30 June 2021 (30 June 2020: N\$Nil).

### 16. Cash and cash equivalents

	GROUP		COMPANY	
	12 months ended 30 June 2021 N\$	16 months ended 30 June 2020 N\$	12 months ended 30 June 2021 N\$	16 months ended 30 June 2020 N\$
Cash on hand	6 953 020	20 922 431	10 090 103	4 941 605
Bank Balances	27 065	33 663	-	-
Bank overdraft	11 021 961	20 931 769	10 090 103	4 941 605
	(4 096 006)	(43 001)	-	-

The group has sufficient borrowing capacity and undrawn financing facilities to sustain its cash flow requirements for the foreseeable future.

The bank overdraft facility with First National Bank of Namibia Limited, bears interest at the Namibian prime overdraft rate.

The above overdraft is secured as follows:

- Cession of debtors

All excess cash not immediately required for operations is invested in a money market fund to maximise returns (refer note 15).

Details of facilities available for future operating activities and commitments:

	12 months ended 30 June 2021	16 months ended 30 June 2020
- Overdraft facility	20 000 000	20 000 000
- Contingent facility	10 000 000	10 020 000
- PACS collection facilities	120 000	4 000 000
- First card facility	300 000	300 000
- Wesbank revolving facility	2 500 000	2 500 000

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### 17. Share capital

Reconciliation of number of shares issued:

Reported as at 01 July / (01 March)

Issue of shares - ordinary shares

Cross-shareholding

Issued

Ordinary shares at N\$0.01

Share premium

GROUP		COMPANY	
12 months ended 30 June 2021	16 months ended 30 June 2020	12 months ended 30 June 2021	16 months ended 30 June 2020
47 385 623	28 710 692	48 723 123	28 710 692
-	20 012 431	-	20 012 431
1 337 500	(1 337 500)	-	-
48 723 123	47 385 623	48 723 123	48 723 123
487 231	473 856	487 231	487 231
500 187 472	486 437 972	500 187 472	500 187 472
500 674 703	486 911 828	500 674 703	500 674 703

On 1 January 2020 a share swap transaction was concluded, resulting in the issuance of 20 012 431 ordinary shares, bringing the total shares in issue to 48 723 123. In the prior year the cross-holding of 1 337 500 shares held by the subsidiary in the holding company resulted in a decrease of consolidated shares in issue to 47 385 623 shares.

Paratus Telecommunications (Proprietary) Limited sold the crossholding shares (1 337 500 shares) on 1 October 2020, which increased the consolidated shares in issue to 48 723 123.

### 18. Borrowings

Three-year Senior Unsecured Floating Rate Notes

Five-year Senior Unsecured Floating Rate Notes

Development Bank of Namibia

Wesbank

Non-current

Three-year Senior Unsecured Floating Rate Notes

Five-year Senior Unsecured Floating Rate Notes

Development Bank of Namibia

Wesbank

Current

Three-year Senior Unsecured Floating Rate Notes

Five-year Senior Unsecured Floating Rate Notes

Development Bank of Namibia

Wesbank

GROUP		COMPANY	
12 months ended 30 June 2021 N\$	16 months ended 30 June 2020 N\$	12 months ended 30 June 2021 N\$	16 months ended 30 June 2020 N\$
200 478 275	79 884 213	200 478 275	-
175 416 543	-	175 416 543	-
25 061 732	-	25 061 732	-
-	79 626 772	-	-
-	257 441	-	-
200 000 000	64 889 735	200 000 000	-
175 000 000	-	175 000 000	-
25 000 000	-	25 000 000	-
-	64 793 835	-	-
-	95 900	-	-
478 275	14 994 478	478 275	-
416 543	-	416 543	-
61 732	-	61 732	-
-	14 832 937	-	-
-	161 541	-	-

The Development Bank of Namibia loan bore interest at the Namibian prime rate and was secured by various unlimited surety signed and was settled in full.

Wesbank loans bore interest at variable interest rates (6.75% to 8.75%) per annum and was secured by the assets directly linked to each loan and was settled in full.

The Three-year Unsecured Floating Rate Notes amounting to N\$175 million are due on 18 June 2024 at no premium. These notes carry interest at a three month ZAR-JIBAR-SAFEX rate plus 300 basis points.

The Five-year Unsecured Floating Rate Notes amounting to N\$25 million are due on 18 June 2026 at no premium. These notes carry interest at a three month ZAR-JIBAR-SAFEX rate plus 325 basis points.

Proceeds from the Notes are to be applied to fund infrastructure roll-out. A portion was also applied to settle the Development Bank of Namibia loan.

GROUP	
12 months ended 30 June 2021 N\$	16 months ended 30 June 2020 N\$

These Notes are subject to the following covenant ratios:

Net Debt (Total debt less cash)/ EBITDA multiple not more than 3.5x

EBITDA interest cover multiple not less than 2.5x

1.9	1.3
15.3	13.7

### 19. Contract liabilities

Contract liabilities - non-current

Contract liabilities - current

GROUP		COMPANY	
12 months ended 30 June 2021 N\$	16 months ended 30 June 2020 N\$	12 months ended 30 June 2021 N\$	16 months ended 30 June 2020 N\$
97 661 588	88 311 789	-	-
88 444 920	79 480 705	-	-
9 216 668	8 831 084	-	-

Income received in advance amounting to N\$95 590 169 (30 June 2020: N\$84 173 773) relates to the sale of and indefeasible-right-of-use on the Trans Kalahari fiber route.

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## Notes to the financial statements for the year ended 30 June 2021

### 20. Deferred taxation

	GROUP		COMPANY	
	12 months ended 30 June 2021 N\$	16 months ended 30 June 2020 N\$	12 months ended 30 June 2021 N\$	16 months ended 30 June 2020 N\$
Deferred taxation liability	(23 697 735)	(10 425 730)	-	-
<b>Reconciliation of deferred taxation assets / (liabilities)</b>				
At beginning of the year	(10 425 730)	-	-	-
Deferred tax acquired through business combination	-	(17 036 426)	-	-
(Deductible) / taxable temporary difference movement on property, plant and equipment	(20 752 125)	19 764 919	-	-
Taxable temporary difference movement on intangible assets	46 429	211 730	-	-
(Deductible) / taxable temporary difference movement on prepaid	(150 305)	190 916	-	-
Deductible temporary difference movement on unrealised foreign exchange gains / losses	(21 537)	(224 550)	-	-
Taxable / (deductible) temporary difference movement on provisions	129 210	(418 563)	-	-
Taxable temporary difference movement on income received in advance	2 991 936	1 077 383	-	-
(Deductible) temporary difference movement on deposits by customers	(2 620)	(2 508)	-	-
(Deductible) temporary difference movement on right of use assets	(644 405)	-	-	-
Taxable temporary difference movement on lease liability	799 086	-	-	-
Tax loss available for set-off against taxable future taxable income	4 332 326	(13 989 822)	-	-
Unused tax losses not recognised as deferred tax assets	-	1 191	-	-
	(23 697 735)	(10 425 730)	-	-

### 21. Trade and other payables

	GROUP		COMPANY	
	12 months ended 30 June 2021 N\$	16 months ended 30 June 2020 N\$	12 months ended 30 June 2021 N\$	16 months ended 30 June 2020 N\$
<b>Financial instruments:</b>				
Trade payables	26 437 536	18 673 668	678 457	1 948
Leave pay accrual	4 549 020	4 715 574	-	-
Salary accrual	2 717 786	2 551 172	-	-
Deposits received	57 873	66 060	-	-
<b>Non-financial instruments</b>				
VAT	115 813	1 036 688	-	-
	33 878 028	27 043 162	678 457	1 948

### 22. Provisions

	Opening Balance N\$	Additions N\$	Utilised during the year N\$	Closing Balance N\$
<b>Reconciliation of provisions - 30 June 2021</b>				
Provision: CRAN regulatory levy	117 955	1 748 979	-	1 866 934
Provision: Audit fees	957 660	727 923	(1 216 533)	469 050
Salary provisions	4 573 060	7 647 707	(5 696 016)	6 524 751
	5 648 675	10 124 609	(6 912 549)	8 860 735

	Acquired through business combination N\$	Additions N\$	Utilised during the year N\$	Closing Balance N\$
<b>Reconciliation of provisions - 30 June 2020</b>				
Provision: CRAN regulatory levy	117 955	-	-	117 955
Provision: Audit fees	196 190	919 870	(158 400)	957 660
Salary provisions	1 829 937	4 038 294	(1 295 171)	4 573 060
	2 144 082	4 958 164	(1 453 571)	5 648 675

Every licensed telecommunications company in Namibia is subject to a universal service levy payable to the Communications Regulatory Authority of Namibia (CRAN). In instances where a licensee held any combination of licenses, such licensee may calculate the levy based on its total annual turnover derived from combined licenses.

A provision for audit fees is created based on the expected fees to be paid for the services rendered for the current financial year-end.

Salary provisions include provision for bonuses to the amount of N\$5 908 025 (30 June 2020: N\$4 046 279) and provision for severance pay to the amount of 616 726 (30 June 2020: N\$526 781).

The amount recognised as a provision is the best estimate of the expenditure required to settle the recent obligation at the balance sheet date, that is, the amount that the company would rationally pay to settle the obligation at the balance sheet date.

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## Notes to the financial statements for the year ended 30 June 2021

### 23. Dividends payable

	GROUP		COMPANY	
	12 months ended 30 June 2021 N\$	16 months ended 30 June 2020 N\$	12 months ended 30 June 2021 N\$	16 months ended 30 June 2020 N\$
Opening balance 01 July / (01 March)	4 738 562	-	4 872 312	-
Dividends declared	9 744 624	4 872 312	9 744 624	4 872 312
Crossholding	133 750	(133 750)	-	-
Dividends paid out	(14 578 635)	-	(14 578 635)	-
Closing balance	38 301	4 738 562	38 301	4 872 312

### 24. Cash generated from operations

	GROUP		COMPANY	
	12 months ended 30 June 2021 N\$	16 months ended 30 June 2020 N\$	12 months ended 30 June 2021 N\$	16 months ended 30 June 2020 N\$
Profit / (Loss) for the period	42 248 236	31 167 355	8 062 059	4 124 401
<b>Adjusted for:</b>				
Interest Paid	6 014 275	3 850 172	-	1
Interest Received	(56 539)	(90 784)	-	-
Dividend income	(4 050 618)	(9 052 815)	(9 416 544)	(7 693 822)
Income from equity accounted investments	-	(6 662 882)	-	-
Depreciation on property, plant and equipment	38 568 908	16 269 281	-	-
Depreciation right of use asset	880 282	600 147	-	-
Amortisation on intangible assets	6 635 797	3 177 181	-	-
Gain on lease modification	-	(499 568)	-	-
Gain on deemed disposal of investment in associate	-	(923 021)	-	-
(Gains) / losses on foreign exchange	1 625 435	1 028 516	-	-
Interest paid lease liability	150 663	174 743	-	-
Profit on sale of property, plant and equipment	(84 918)	(8 070)	-	(923 021)
Profit on sale of shares	(882 750)	-	-	-
Movements in provisions	3 212 060	3 504 593	114 409	-
<b>Changes in working capital</b>				
Inventories	(5 020 061)	2 633 801	-	-
Trade and other receivables	(9 568 098)	14 963 465	-	-
Prepayments	(671 017)	(7 055 149)	-	-
Contract liabilities	9 349 799	(955 967)	-	-
Trade and other payables	6 834 865	8 575 475	676 508	(70 998)
	95 186 319	60 696 473	(563 568)	(4 563 439)

### 25. Other operating income

	GROUP		COMPANY	
	12 months ended 30 June 2021 N\$	16 months ended 30 June 2020 N\$	12 months ended 30 June 2021 N\$	16 months ended 30 June 2020 N\$
Administration and management fees received	26 413	14 762	-	-
Bad debts recovered	50 368	6 484	-	-
Sundry income	387 071	261 418	-	-
	463 852	282 664	-	-

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## Notes to the financial statements for the year ended 30 June 2021

### 26. Other operating (losses) / gains

	GROUP		COMPANY	
	12 months ended 30 June 2021 N\$	16 months ended 30 June 2020 N\$	12 months ended 30 June 2021 N\$	16 months ended 30 June 2020 N\$
<b>Gains on disposal, scrapping and settlements</b>				
Property, plant and equipment	84 918	8 070	-	-
Right-of-use assets - lease modification	-	499 568	-	-
Profit on disposal of shares	882 750	-	-	-
<b>Foreign exchange gains</b>				
Net foreign exchange (losses) / gains	(1 006 681)	2 127 955	-	-
<b>Investment in associate</b>				
Deemed profit on sale of associate	-	923 021	-	923 021
<b>Total other operating (losses) / gains</b>	<b>(39 013)</b>	<b>3 558 614</b>	<b>-</b>	<b>923 021</b>

### 27. Operating profit

	GROUP		COMPANY	
	12 months ended 30 June 2021 N\$	16 months ended 30 June 2020 N\$	12 months ended 30 June 2021 N\$	16 months ended 30 June 2020 N\$
Operating profit for the year is stated after charging (crediting) the following, amongst others:				
<b>Auditor's remuneration - external</b>				
Audit fees - PWC	857 120	877 586	224 540	116 116
Consulting fees - PWC	249 764	863 650	34 500	688 385
Training - PWC	8 435	4 435	-	-
	<b>1 115 319</b>	<b>1 745 671</b>	<b>259 040</b>	<b>804 501</b>
<b>Remuneration, other than to employees</b>				
Administration and management fees	-	339 250	-	339 250
Consulting and professional services	4 491 952	3 849 289	665 261	1 560 023
Secretarial services	573 722	709 157	285 856	485 629
Sponsor retainer	30 840	30 000	30 840	30 000
	<b>5 096 514</b>	<b>4 927 696</b>	<b>981 957</b>	<b>2 414 902</b>
<b>Directors remuneration</b>				
Non-executive directors fees	893 846	1 273 913	-	812 000
	<b>893 846</b>	<b>1 273 913</b>	<b>-</b>	<b>812 000</b>
<b>Employee costs</b>				
Salaries, wages, bonuses and other benefits	<b>76 012 251</b>	<b>37 020 844</b>	<b>-</b>	<b>-</b>
<b>Leases</b>				
<b>Operating lease charges</b>				
Leases <sup>1</sup>	<b>412 536</b>	<b>113 173</b>	<b>-</b>	<b>-</b>
<b>Depreciation and amortisation</b>				
Depreciation of property, plant and equipment	38 568 908	16 269 281	-	-
Depreciation of right-of-use assets	880 282	600 147	-	-
Amortisation of intangible assets	6 635 797	3 177 181	-	-
<b>Total depreciation and amortisation</b>	<b>46 084 987</b>	<b>20 046 609</b>	<b>-</b>	<b>-</b>
Less: Depreciation and amortisation included in cost of sales	(34 372 546)	(14 239 190)	-	-
<b>Total depreciation and amortisation expensed</b>	<b>11 712 441</b>	<b>5 807 419</b>	<b>-</b>	<b>-</b>

<sup>1</sup> Payments associated with short-term leases and leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less. Low-value assets comprise IT equipment.



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## Notes to the financial statements for the year ended 30 June 2021

### 27. Operating profit (continued)

	GROUP		COMPANY	
	12 months ended 30 June 2021 N\$	16 months ended 30 June 2020 N\$	12 months ended 30 June 2021 N\$	16 months ended 30 June 2020 N\$
<b>Expenses by nature</b>				
The total marketing expenses, general and administrative expenses, maintenance expenses and other operating expenses are analysed by nature as follows:				
Advertising	7 223 924	4 219 324	-	20 000
Auditor's remuneration - external	1 115 319	1 745 671	259 040	804 501
Bad debts	907 201	279 309	-	-
Depreciation, amortisation and impairment	11 712 441	5 807 419	-	-
Directors remuneration	893 846	1 273 913	-	812 000
Employee costs	76 012 251	37 020 844	-	-
Insurance	3 071 964	1 672 902	-	-
License fees	11 247 272	5 028 315	-	-
Motor vehicle expenses	1 499 471	753 290	-	-
Operating lease charges	412 536	113 173	-	-
Other expenses <sup>2</sup>	11 230 769	6 853 489	113 488	420 149
Remuneration, other than to employees	5 096 514	4 927 696	981 957	2 414 902
Telephone	1 159 788	623 241	-	-
Travelling	848 773	384 435	-	20 889
	<b>132 432 069</b>	<b>70 703 021</b>	<b>1 354 485</b>	<b>4 492 441</b>

<sup>2</sup> Other expenses pertains to 10% or less of total operating expenses, and has not been split out in more detail.

### 28. Taxation

	GROUP		COMPANY	
	12 months ended 30 June 2021 N\$	16 months ended 30 June 2020 N\$	12 months ended 30 June 2021 N\$	16 months ended 30 June 2020 N\$
<b>Major components of the taxation expense</b>				
<b>Current</b>				
Local income taxation - current period	-	-	-	-
<b>Deferred</b>				
Property, plant and equipment	20 752 125	19 764 919	-	-
Intangible assets	(46 429)	211 730	-	-
Prepaid expenses	150 305	190 916	-	-
Unrealised foreign gains / (losses)	21 537	(224 550)	-	-
Provisions	(129 210)	(418 563)	-	-
Income received in advance	(2 991 936)	1 077 383	-	-
Deposits by customers	2 620	(2 508)	-	-
Right-of use assets	644 405	-	-	-
Lease liability	(799 086)	-	-	-
Tax loss available for set-off against taxable future taxable income	(4 332 326)	(13 989 822)	-	-
Unused tax losses not recognised as deferred tax assets	-	1 191	-	-
Consolidation adjustment - at acquisition	-	(869 130)	-	-
	<b>13 272 005</b>	<b>5 741 566</b>	<b>-</b>	<b>-</b>
	<b>13 272 005</b>	<b>5 741 566</b>	<b>-</b>	<b>-</b>

#### Reconciliation of the tax expense

Reconciliation between accounting profit and tax expense

Accounting profit	42 248 236	31 167 355	8 062 059	4 124 401
Tax at the applicable tax rate of 32% (2020: 32%)	13 519 436	9 973 554	2 579 859	1 319 809
<b>Tax effect of adjustments on taxable income</b>				
Dividends received	(1 296 198)	(2 896 901)	(3 013 294)	(2 462 023)
Expenses not deductible (no taxable income)	433 435	1 437 581	433 435	1 437 581
Income from equity accounted investments	-	(2 132 122)	-	-
Deemed profit on sale of investment in associate	-	(295 367)	-	(295 367)
Capital profit on sale of fixed assets	(12 452)	(1 577)	-	-
Fines and penalties	618	3 445	-	-
Donations	12 000	7 356	-	-
Right-of-use asset - depreciation	-	192 047	-	-
Interest on lease liability	-	55 918	-	-
Lease payments	-	(261 704)	-	-
Gain on lease modification	-	(159 862)	-	-
Amortisation of intangible assets resulting from business combination	1 102 813	688 328	-	-
Profit on sale of shares resulting from business combination	(282 480)	-	-	-
Consolidation adjustment - at acquisition	-	(869 130)	-	-
Prior period adjustment	(205 167)	-	-	-
	<b>13 272 005</b>	<b>5 741 566</b>	<b>-</b>	<b>-</b>

No provision has been made for 2021 tax as the company has no taxable income.

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## Notes to the financial statements for the year ended 30 June 2021

### 29. Other information

#### Shares in issue

	12 months ended 30 June 2021	16 months ended 30 June 2020
Total number of shares in issue	48 723 123	47 385 623
Weighted number of shares in issue	48 386 000	35 675 523
Net asset value per share (cents per share)	1 129.77	1 091.64
Listed market price per share (cents per share)	1 200.00	1 100.00
Premium to net asset value	6.22%	0.77%
Capital commitments (including approved but not contracted)	N\$318 800 000	N\$323 000 000
Market capitalisation	N\$584 677 476	N\$535 954 353
Adjusted earnings before interest, taxation, depreciation and amortisation (EBITDA)	94 441 622	55 148 095
Net Debt (Total debt less cash)/ EBITDA (not more than 3.5x)	1.87	1.31
EBITDA interest cover rate (not less than 2.5x)	15.32	13.70

#### Earnings

	N\$	N\$
Profit for the period	28 937 115	25 425 789
Headline adjustments:		
After taxation profit on sale of property, plant and equipment	(57 745)	1 304
Gain on lease modification	-	(499 568)
Gain on deemed disposal of investment in associate	-	(923 021)
Gain on disposal of shares	(882 750)	-
<b>Headline earnings</b>	<b>27 996 620</b>	<b>24 004 504</b>

	12 months ended 30 June 2021 Cents	16 months ended 30 June 2020 Cents
Basic earnings per ordinary share (cents)	59.80	71.27
Headline earnings per ordinary share (cents)	57.86	67.29
Dividend per share (cents)	20.00	10.00

### 30. Commitments and contingencies

#### Capital commitments

Authorised but not contracted for:

Property and equipment <sup>3</sup>	195 600 000	323 000 000	-	-
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Contracted for but not yet incurred:

Property and equipment <sup>4</sup>	123 200 000	-	-	-
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The capital expenditure projects are to be funded from operational cash flows, cash reserves and additional debt funding. Additional debt funding to the value of N\$200 million has been raised.

<sup>3</sup> For the 2022 financial year, a further N\$195 600 000 investment into capital expenditure was approved by the board. This investment will mainly be earmarked for Fiber-to-the-X (FTTx) rollout and will be funded by its cash resources and cashflows from operations.

<sup>4</sup> The construction of the Cable Landing Station for the Equiano sub-sea cable in Swakopmund has commenced. The project is expected to be completed during September 2021 at an expected cost of N\$38 million. The Cable Landing Station consists of the building and other terminal facilities which is required to land the Equiano Submarine Cable System. Total capital expenditure towards this project at year-end amounts to N\$19 869 026.

The acquisition of the erf to construct the data center (Tier-3 by design) has been finalised. The total cost of the erf amounts to N\$9 355 005. Construction has commenced. The project is expected to be completed during the third quarter of 2022 at a total cost of N\$123 million. Total capital expenditure towards this project at year-end amounts to N\$17 988 190.

The directors have not identified any other material commitments and contingencies for the year under review.

### 31. Events occurring after the reporting period

#### Dividends declared

On 21 September 2021 the directors declared a final dividend of 10 cents per ordinary share for the 2021 financial year amounting to N\$4 872 312.

#### Other events

The directors are not aware of any other material subsequent events after the reporting period that will have a significant impact the annual financial statements.

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## Notes to the financial statements for the year ended 30 June 2021

### 32. Related parties

Subsidiaries	Paratus Telecommunications (Proprietary) Limited - Namibia Paratus Properties (Proprietary) Limited Paratus Property Two (Proprietary) Limited Internet Technologies Namibia (Proprietary) Limited Paratus Voice Telecommunications (Proprietary) Limited Bitstream Internet Solutions (Proprietary) Limited
Related entities	Paratus Group Holdings Limited - (shareholder) Paratus Telecommunications Limited - Mauritius (similar shareholder and directors) Paratus Telecommunications Limited - Zambia (similar shareholder and directors) Paratus Telecommunications (Proprietary) Limited - Botswana (similar shareholder and directors) Paratus Telecommunication (Proprietary) Limited - South Africa (similar shareholder and directors) Maxwell Technologies (Proprietary) Limited - South Africa (similar shareholder and directors) Paratus Telecom S.A. - Mozambique (similar shareholder and directors) Canocopy (Proprietary) Limited - Namibia (similar shareholder and directors) Internet Technologies Angola S.A. - Angola (similar shareholder and directors) Capricorn Investment Group Limited (Shareholder)
Investment manager	Addressus Investments (Proprietary) Limited t/a Cirrus Capital (Proprietary) Limited (contract ended January 2020)

GROUP		COMPANY	
12 months ended 30 June 2021 N\$	16 months ended 30 June 2020 N\$	12 months ended 30 June 2021 N\$	16 months ended 30 June 2020 N\$

### Related party balances

#### Investment in subsidiary

Paratus Telecommunications (Proprietary) Limited - Namibia	-	-	427 644 393	427 644 393
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#### Loan accounts - owing by related parties

Paratus Telecommunications (Proprietary) Limited - Namibia	-	-	236 978 275	-
Canocopy (Proprietary) Limited - Namibia	216 372	820 231	-	-
Misty Bay Investments One Hundred and Forty Close Corporation	(266 004)	-	-	-

#### Amounts included in trade receivables regarding related parties

Internet Technologies Angola S.A.	1 432 587	23 108	-	-
Paratus Telecommunications (Proprietary) Limited - Botswana	-	13 831	-	-
Canocopy (Proprietary) Limited	97 292	145 360	-	-
Paratus Telecommunications (Proprietary) Limited - South Africa	54 335	141 589	-	-
Paratus Telecommunications Limited - Mauritius	4 340 372	-	-	-
Paratus Telecommunications Limited - Zambia	55 314	-	-	-
Paratus Telecom S.A. - Mozambique	16 717	-	-	-

#### Amounts included in trade payables regarding related parties

Paratus Telecommunications Limited - Mauritius	-	906 698	-	-
Canocopy (Proprietary) Limited	48 034	77 069	-	-
Paratus Telecommunications (Proprietary) Limited - Botswana	139 310	-	-	-
Paratus Telecommunications (Proprietary) Limited - South Africa	488 727	-	-	-

### Related party transactions

#### Revenue received from related parties

Internet Technologies Angola S.A.	1 336 642	2 527 601	-	-
Paratus Telecommunications (Proprietary) Limited - Botswana	254 009	651 409	-	-
Canocopy (Proprietary) Limited	718 842	820 511	-	-
Paratus Telecommunications (Proprietary) Limited - South Africa	199 665	215 749	-	-
Paratus Telecommunications Limited - Mauritius	9 062 215	12 187 486	-	-
Paratus Telecommunications Limited - Zambia	727 250	678 056	-	-
Paratus Telecom S.A. - Mozambique	33 649	-	-	-

#### Interest received from related parties

Canocopy (Proprietary) Limited	42 213	173 253	-	-
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#### Purchases from related parties

Internet Technologies Angola S.A.	-	-	-	-
Paratus Telecommunications (Proprietary) Limited - Botswana	774 291	774 280	-	-
Canocopy (Proprietary) Limited	517 557	675 791	-	-
Paratus Telecommunications (Proprietary) Limited - South Africa	5 146 078	4 455 029	-	-
Paratus Telecommunications Limited - Mauritius	13 015 718	14 961 137	-	-
Paratus Telecommunications Limited - Zambia	692 488	1 482 096	-	-
Paratus Telecom S.A. - Mozambique	-	-	-	-
Sat Space Africa Limited - Mauritius	-	1 090 442	-	-

# Paratus Namibia Holdings Limited

(Registration number : 2017/0558)

Condensed consolidated and separate financial statements  
for the year ended 30 June 2021

## Notes to the financial statements for the year ended 30 June 2021

### 32. Related parties (continued)

#### Administration and management fees paid to related parties

Paratus Telecommunications (Proprietary) Limited - Namibia	-	368 750	-	368 750
Addessus Investments (Proprietary) Limited t/a Cirrus Capital (Proprietary) Limited	-	626 283	-	626 283

#### Rent paid to related parties

B.R.J. Harmse	579 798	795 704	-	-
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#### Compensation to directors and other key management

Short-term employee benefits	12 840 756	16 086 673	-	-
Non-executive directors fees	893 846	1 273 913	-	812 000