



Paratus Namibia Holdings Limited

Registration number: 2017/0558

Country of registration: Namibia

Condensed Interim Financial Statements
for the 6 months ended 31 December 2021

Paratus Namibia Holdings Limited

(Registration number : 2017/0558)

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for the 6 months ended 31 December 2021

Contents

	Page
Financial overview	2
Statement of responsibilities of the board of directors	3
Independent auditor's review report on interim financial statements	4 to 5
Condensed statements of profit or loss and other comprehensive income	6
Condensed statements of financial position	7
Condensed statements of changes in equity	8
Condensed statements of cash flows	9
Notes to the condensed financial statements	10 to 22

Paratus Namibia Holdings Limited

(Registration number: 2017/0558)

Condensed Interim Financial Statements

for the 6 months ended 31 December 2021

Financial performance overview

The market and prospects

Namibia's economic performance was expected to improve slightly during 2021 and improve further in 2022. According to the Bank of Namibia's December 2021 Economic Outlook report, the real GDP growth is projected to increase by 1.5% and 3.3% in 2021 and 2022, respectively, from a contraction of 8.5% in 2020.

The growth in the Information and Communication sector was expected to be 7.8% in 2021 and 6.4% in 2022. The Group will continue its aggressive infrastructure roll-out strategy to further expand its network footprint across Namibia and to support recurring revenue growth.

For the six months ended 31 December 2021, Paratus Telecommunications (Proprietary) Limited ("Paratus Namibia"), the operating entity, realised recurring revenue of N\$166.2 million (December 2020: N\$150.4 million) which represents a growth of 10.5% on a like-for-like basis. Non-recurring revenue, which represents Local Area Network installations and sale of Telecommunication Equipment, amounts to N\$24.6 million (December 2020: N\$14.2 million). This represents a growth of 73.2% on a like-for-like basis. The growth is mainly attributable to a Local Area Network Installation from a new property development project.

The net profit before taxation, for the operating entity, for the same period amounts to N\$26.4 million (31 December 2020: N\$21.9 million) and earnings before interest, taxation, depreciation and amortisation ("EBITDA") amounts to N\$59.8 million (December 2020: N\$46.9 million). This represents growth of 20.6% and 27.5%, respectively on a like-for-like basis. The growth in profitability is mainly attributable to the overall revenue growth of 15.9% and the moderate increase of 7.7% in operating expenses. The operating margins for the period under review is in line with the previous reporting period and is mainly due to the lower margins realised from the higher non-recurring

Capital projects

For the period to 31 December 2021 Paratus Namibia has invested N\$147.7 million in infrastructure. Of this total investment, N\$75.4 million was invested in the fiber network, of which N\$8 million was invested towards a fiber network in the Northern towns of Namibia and N\$15 million was invested to expand the current fiber network in the coastal towns of Namibia.

An amount of N\$11 million was invested towards the LTE networks in Windhoek, the coastal towns, and the North of Namibia.

A total amount of N\$34.8 million was invested in the Cable Landing Station in Swakopmund, which has now been completed and is ready for service.

To date, N\$50.4 million was invested in the Data Center, which is expected to be completed during the third quarter of 2022 at a total cost of N\$123 million.

Management considers EBITDA as an important operational performance measure, as it mirrors Paratus Namibia's ability to generate cash flows from operations. The disparity between profit after taxation and EBITDA stems from the large depreciation charges recorded on infrastructure deployed.

For the period under review, Paratus Namibia have funded 40% of the total capital investment from operational cash flows, which includes the Data Center project. The investment in infrastructure bodes well for the group, as is evident from the improvement in the EBITDA margin emanating from the cost savings realised by using own infrastructure, as well as adding customers to existing infrastructure.

Dividends

On 23 March 2022 the directors declared a interim dividend of 10c per ordinary share amounting to N\$4 872 312.

The interim dividend payment of 10c per ordinary share is maintained to continue the current level of infrastructure roll-out, which should bode well for future profit growth.

Paratus Namibia Holdings Limited

(Registration number: 2017/0558)

Condensed Interim Financial Statements
for the 6 months ended 31 December 2021

Statement of responsibilities of the board of directors

The directors are responsible for the preparation, integrity and objectivity of the condensed interim 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.

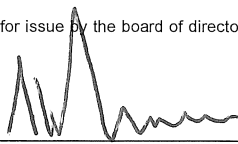
The condensed interim financial statements presented on pages 6 to 22 have been prepared in accordance with the provisions of the Companies Act of Namibia, 28 of 2004 (Companies Act of Namibia) and comply with the International Accounting Standard, (IAS) 34 Interim Financial Reporting.

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 interim 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 4 to 5.

The condensed interim financial statements, set out on pages 6 to 22, were authorised and approved for issue by the board of directors on 23 March 2022 and are signed on their behalf:



A. Hall
Managing Director

S.I. de Bruin
Chief Financial Officer



INDEPENDENT AUDITOR'S REVIEW REPORT ON INTERIM FINANCIAL STATEMENTS

To the Shareholders of Paratus Namibia Holdings Limited

We have reviewed the condensed consolidated and separate interim financial statements (the "interim financial statements") of Paratus Namibia Holdings Limited in the accompanying interim report, which comprise the condensed consolidated and separate statements of financial position as at 31 December 2021 and the related condensed consolidated and separate statements of comprehensive income, changes in equity and cash flows for the six-months then ended, and selected explanatory notes.

Directors' Responsibility for the Interim Financial Statements

The directors are responsible for the preparation and presentation of these interim financial statements in accordance with the International Financial Reporting Standard, (IAS) 34 *Interim Financial Reporting* 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 interim 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 interim 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 interim 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 interim 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 interim financial statements.

*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*

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 interim financial statements of Paratus Namibia Holdings Limited for the six months ended 31 December 2021 are not prepared, in all material respects, in accordance with the International Financial Reporting Standard, (IAS) 34 *Interim Financial Reporting* 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: 23 March 2022

Paratus Namibia Holdings Limited

(Registration number: 2017/0558)

Condensed Interim Financial Statements
for the 6 months ended 31 December 2021

Condensed statements of profit or loss and other comprehensive income for the 6 months ended 31 December 2021

Figures in Namibian Dollars	Notes	GROUP			COMPANY		
		Six months ended 31 December 2021 Reviewed	Six months ended 31 December 2020 Reviewed	Year ended 30 June 2021 Audited	Six months ended 31 December 2021 Reviewed	Six months ended 31 December 2020 Reviewed	Year ended 30 June 2021 Audited
Revenue	24	196 288 401	167 362 199	340 560 820	5 029 436	4 667 856	9 416 544
Cost of Sales	25	(94 993 763)	(79 241 116)	(160 196 955)	-	-	-
Gross profit		101 294 638	88 121 083	180 363 865	5 029 436	4 667 856	9 416 544
Other operating income	26	759 968	202 334	463 852	-	-	-
Other operating (losses) / gains	27	(18 717)	195 073	(39 013)	-	-	-
Operating expenses	28	(67 451 847)	(61 911 925)	(132 432 069)	(192 342)	(399 942)	(1 354 485)
Operating profit	28	34 584 042	26 606 565	48 356 635	4 837 094	4 267 914	8 062 059
Investment income		5 639	38 647	56 539	6 801 667	-	478 275
Finance costs		(6 895 169)	(3 051 123)	(6 164 938)	(6 801 667)	-	(478 275)
Profit before taxation		27 694 512	23 594 089	42 248 236	4 837 094	4 267 914	8 062 059
Taxation		(8 111 860)	(7 055 686)	(13 272 005)	-	-	-
Profit after taxation		19 582 652	16 538 403	28 976 231	4 837 094	4 267 914	8 062 059
Total comprehensive income		19 582 652	16 538 403	28 976 231	4 837 094	4 267 914	8 062 059
Total comprehensive income attributable to:							
Equity holders of the parent entity		19 241 471	16 538 403	28 937 115			
Non-controlling interest		341 181	-	39 116			
		19 582 652	16 538 403	28 976 231			
Adjusted earnings before interest, taxation, depreciation and importation (EBITDA)		60 803 958	48 573 176	94 441 622			
		Cents	Cents	Cents			
Earnings per share attributable to the ordinary equity holders of the group:							
Basic and diluted earnings per share	29	39.49	34.42	59.80			
Headline earnings per share	29	39.50	32.51	57.86			
Dividends per share	29	10.00	10.00	20.00			

The above Condensed statements of profit or loss and other comprehensive income for the 6 months ended 31 December 2021 should be read in conjunction with the accompanying notes.

Paratus Namibia Holdings Limited

(Registration number: 2017/0558)

Condensed Interim Financial Statements

for the 6 months ended 31 December 2021

Condensed statements of financial position as at 31 December 2021

		GROUP			COMPANY		
		As at 31 December 2021	As at 31 December 2020	As at 30 June 2021	As at 31 December 2021	As at 31 December 2020	As at 30 June 2021
Figures in Namibian Dollars	Notes	Reviewed	Reviewed	Audited	Reviewed	Reviewed	Audited
ASSETS							
Non-Current Assets							
Property, plant and equipment	9	514 431 440	325 801 669	390 016 662	-	-	-
Right-of-use asset	10	1 542 863	1 331 546	2 013 764	-	-	-
Intangible assets	11	294 089 056	294 363 310	296 488 834	-	-	-
Investment in subsidiaries	12	-	-	-	427 644 393	427 644 393	427 644 393
Loans to related parties	13	-	-	-	251 000 000	3 000 000	236 500 000
		810 063 359	621 496 525	688 519 260	678 644 393	430 644 393	664 144 393
Current Assets							
Inventories		18 723 403	21 774 212	18 755 187	-	-	-
Loans to related parties	13	156 167	738 840	216 372	477 705	-	478 275
Trade and other receivables	14	47 212 101	24 094 982	40 022 452	-	-	-
Investments at fair value	15	56 520 553	86 321 499	159 856 281	22 571 033	71 603 310	27 811 598
Finance lease receivables		-	41 542	4 088	-	-	-
Current tax receivable		1 984 773	3 557 530	3 509 125	-	-	-
Cash and cash equivalents	16	10 728 667	2 028 415	11 049 026	110 813	217 279	10 090 103
		135 325 664	138 557 020	233 412 531	23 159 551	71 820 589	38 379 976
Total Assets		945 389 023	760 053 545	921 931 791	701 803 944	502 464 982	702 524 369
EQUITY & LIABILITIES							
Equity							
Share capital	17	487 231	487 231	487 231	487 231	487 231	487 231
Share premium	17	500 187 472	500 187 472	500 187 472	500 187 472	500 187 472	500 187 472
Revaluation reserve		1 985 600	1 985 600	1 985 600	-	-	-
Retained income		61 983 715	40 049 081	47 575 481	505 005	1 618 391	540 224
		564 644 018	542 709 384	550 235 784	501 179 708	502 293 094	501 214 927
Non-controlling interest		492 156	-	222 192	-	-	-
		565 136 174	542 709 384	550 457 976	501 179 708	502 293 094	501 214 927
Non-Current Liabilities							
Loans from related parties		-	-	266 004	-	-	-
Borrowings	18	200 000 000	59 115 785	200 000 000	200 000 000	-	200 000 000
Lease liabilities	10	783 369	1 020 960	1 392 845	-	-	-
Contract liabilities	19	112 603 262	91 218 245	88 444 920	-	-	-
Deferred tax		29 934 124	17 481 416	23 697 735	-	-	-
		343 320 755	168 836 406	313 801 504	200 000 000	-	200 000 000
Current Liabilities							
Loans from related parties		22 001	-	-	-	-	-
Trade and other payables	20	20 735 531	20 582 764	33 878 028	25 985	142 564	678 457
Borrowings	18	607 247	14 093 340	478 275	477 705	-	478 275
Lease liability	10	1 182 820	888 458	1 104 298	-	-	-
Contract liabilities	19	8 266 867	7 539 389	9 216 668	-	-	-
Current tax payable		147 062	-	-	-	-	-
Provisions	21	5 882 468	4 117 984	8 860 735	74 072	-	114 409
Dividends payable	22	46 475	29 324	38 301	46 475	29 324	38 301
Bank overdraft	16	41 623	1 256 496	4 096 006	-	-	-
		36 932 094	48 507 755	57 672 311	624 237	171 888	1 309 442
Total Liabilities		380 252 849	217 344 161	371 473 815	200 624 237	171 888	201 309 442
Total Equity & Liabilities		945 389 023	760 053 545	921 931 791	701 803 945	502 464 982	702 524 369

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

Paratus Namibia Holdings Limited

(Registration number : 2017/0558)

Condensed Interim Financial Statements

for the 6 months ended 31 December 2021

Statement of Changes in Equity for the period ended 31 December 2021

	Share capital N\$	Share premium N\$	Total share capital N\$	GROUP Revaluation reserve N\$	Retained earnings N\$	Non-controlling interests N\$	Total equity N\$
Audited 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	-	-	-	-	16 538 403	-	16 538 403
- Other comprehensive income	-	-	-	-	-	-	-
Total comprehensive income for the year	-	-	-	-	16 538 403	-	16 538 403
Issue of shares	-	-	-	-	-	-	-
Cross-holding shares sold	13 375	13 749 500	13 762 875	-	-	-	13 762 875
Dividends declared	-	-	-	-	(4 872 312)	-	(4 872 312)
Total contributions by and distributions to owners of company recognised directly in equity	13 375	13 749 500	13 762 875	-	4 872 312	-	8 890 563
Reviewed balance as at 31 December 2020	487 231	500 187 472	500 674 703	1 985 600	40 049 081	-	542 709 384
- Profit for the year	-	-	-	-	12 398 712	39 116	12 437 828
- Other comprehensive income	-	-	-	-	-	-	-
Total comprehensive income for the year	-	-	-	-	12 398 712	39 116	12 437 828
Issue of shares	-	-	-	-	-	-	-
Acquisition of subsidiary	-	-	-	-	-	183 076	183 076
Dividends declared	-	-	-	-	(4 872 312)	-	(4 872 312)
Total contributions by and distributions to owners of company recognised directly in equity	-	-	-	-	4 872 312	183 076	4 689 236
Audited balance as at 30 June 2021	487 231	500 187 472	500 674 703	1 985 600	47 575 481	222 192	550 457 976
Adjustments:							
Adjustment: Subsidiary					39 075	(71 217)	(32 142)
Adjusted balance as at 01 July 2021	487 231	500 187 472	500 674 703	1 985 600	47 614 556	150 975	550 425 834
- Profit for the year	-	-	-	-	19 241 471	341 181	19 582 652
- Other comprehensive income	-	-	-	-	-	-	-
Total comprehensive income for the year	-	-	-	-	19 241 471	341 181	19 582 652
Dividends declared	-	-	-	-	(4 872 312)	-	(4 872 312)
Total contributions by and distributions to owners of company recognised directly in equity	-	-	-	-	(4 872 312)	-	(4 872 312)
Reviewed balance as at 31 December 2021	487 231	500 187 472	500 674 703	1 985 600	61 983 715	492 156	565 136 174
Notes	17	17	17				

	Share capital N\$	Share premium N\$	COMPANY Total share capital N\$	Revaluation reserve N\$	Retained earnings N\$	Total equity N\$
Audited balance as at 01 July 2020	487 231	500 187 472	500 674 703	-	2 222 789	502 897 492
- Profit for the year	-	-	-	-	4 267 914	4 267 914
- Other comprehensive income	-	-	-	-	-	-
Total comprehensive income for the year	-	-	-	-	4 267 914	4 267 914
Issue of shares	-	-	-	-	-	-
Dividends declared	-	-	-	-	(4 872 312)	(4 872 312)
Total contributions by and distributions to owners of company recognised directly in equity	-	-	-	-	(4 872 312)	(4 872 312)
Reviewed balance as at 31 December 2020	487 231	500 187 472	500 674 703	-	1 618 391	502 293 094
- Profit for the year	-	-	-	-	3 794 144	3 794 144
- Other comprehensive income	-	-	-	-	-	-
Total comprehensive income for the year	-	-	-	-	3 794 144	3 794 144
Issue of shares	-	-	-	-	-	-
Dividends declared	-	-	-	-	(4 872 312)	(4 872 312)
Total contributions by and distributions to owners of company recognised directly in equity	-	-	-	-	(4 872 312)	(4 872 312)
Audited balance as at 30 June 2021	487 231	500 187 472	500 674 703	-	540 223	501 214 926
- Profit for the year	-	-	-	-	4 837 094	4 837 094
- Other comprehensive income	-	-	-	-	-	-
Total comprehensive income for the year	-	-	-	-	4 837 094	4 837 094
Issue of shares	-	-	-	-	-	-
Dividends declared	-	-	-	-	(4 872 312)	(4 872 312)
Total contributions by and distributions to owners of company recognised directly in equity	-	-	-	-	(4 872 312)	(4 872 312)
Reviewed balance as at 31 December 2021	487 231	500 187 472	500 674 703	-	505 005	501 179 708
Notes	17	17	17			

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

Paratus Namibia Holdings Limited

(Registration number : 2017/0558)

Condensed Interim Financial Statements

for the 6 months ended 31 December 2021

Statement of cash flow as at 31 December 2021

Figures in Namibian Dollars	Notes	GROUP			COMPANY		
		Six months ended 31 December 2021	Six months ended 31 December 2020	Year ended 30 June 2021	Six months ended 31 December 2021	Six months ended 31 December 2020	Year ended 30 June 2021
		Reviewed	Restated	Audited	Reviewed	Restated	Restated
Cash flows from operating activities							
Cash generated from operations	23	58 329 025	45 108 438	95 186 318	(885 151)	(259 326)	(563 568)
Interest Paid		(6 808 436)	(2 965 689)	(5 536 000)	(6 801 667)	-	-
Interest Received		5 639	38 647	56 539	6 801 667	-	-
Dividend income		-	-	-	-	-	-
Tax paid		(158 458)	(1 584 849)	(1 536 444)	-	-	-
Net cash from operating activities		51 367 770	40 596 547	88 170 413	(885 151)	(259 326)	(563 568)
Cash flows from investing activities							
Acquisition of property, plant and equipment		(146 556 856)	(89 962 014)	(174 023 381)	-	-	-
Proceeds on disposal of property, plant and equipment		145 042	87 212	148 349	-	-	-
Acquisition of intangible assets		(1 178 779)	(366 583)	(4 086 289)	-	-	-
Cross-holding shares sold		-	14 645 625	14 645 625	-	-	-
Finance lease receipts		4 088	61 621	99 075	-	-	-
Deposits into money market funds and similar securities		(12 540 000)	(14 573 924)	(261 734 924)	(2 540 000)	-	(47 161 000)
Withdrawals from money market funds and similar securities		118 310 000	46 106 498	221 026 087	8 310 000	5 250 300	97 451 701
Funds advanced to subsidiary		-	-	-	(10 000 000)	-	(230 000 000)
Proceeds from loans to related parties		216 372	-	-	-	-	-
Repayment of related party loans		(324 220)	-	-	-	-	-
Loan advanced to related party		(27 600)	-	-	-	-	-
Loan advanced to shareholders		(128 567)	-	-	-	-	-
Acquisition of subsidiary		-	-	(2 080 000)	-	-	-
Cash acquired from subsidiary acquisition		-	-	196	-	-	-
Net cash (used in) / from investing activities		(42 080 520)	(44 001 565)	(206 005 262)	(4 230 000)	5 250 300	(179 709 299)
Cash flows from financing activities							
Proceeds from loans from related parties		-	210 488	603 859	-	-	-
Related party loans advanced to group		-	-	266 004	-	-	-
Loan advanced to related party		-	-	-	-	-	-
Loan advanced to shareholders		-	(129 096)	-	-	-	-
Repayment of borrowings		(32 500)	(6 675 088)	(79 884 213)	-	-	-
Proceeds from borrowings		-	-	200 000 000	-	-	200 000 000
Payment on lease liabilities		(617 687)	(588 843)	(1 188 707)	-	-	-
Dividends paid		(4 864 138)	(9 581 550)	(14 444 885)	(4 864 139)	(9 715 300)	(14 578 635)
Net cash used in financing activities		(5 514 325)	(16 764 089)	105 352 058	(4 864 139)	(9 715 300)	185 421 365
(Decrease) / Increase in cash equivalents		3 772 925	(20 169 107)	(12 482 791)	(9 979 290)	(4 724 326)	5 148 498
Cash equivalents at beginning of period		6 953 020	20 922 431	20 922 431	10 090 103	4 941 605	4 941 605
Effect of exchange rates on cash and cash equivalents		(38 901)	18 595	(1 486 620)	-	-	-
Cash equivalents at end of period	16	10 687 044	771 919	6 953 020	110 813	217 279	10 090 103

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

Paratus Namibia Holdings Limited

(Registration number : 2017/0558)

Condensed Interim Financial Statements for the 6 months ended 31 December 2021

Notes to the condensed financial statements for the 6 months ended 31 December 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 interim financial statements of Paratus Namibia Holdings Ltd for the six months ended 31 December 2021, have been prepared in accordance with the recognition and measurement criteria of the International Financial Reporting Standards ("IFRS"), and presentation and disclosure requirements of the International Accounting Standard (IAS) 34 Interim Financial Reporting as well as the Companies Act of Namibia. The condensed interim financial statements should be read in conjunction with the consolidated annual financial statements for the year ended 30 June 2021, which have also been prepared in accordance with IFRS.

3. Accounting policies

The accounting policies applied in the preparation of the condensed interim financial statements are in terms of IFRS and are consistent with those applied in the previous consolidated annual financial statements, except for the adoption of new or revised accounting standards as set out in the condensed interim 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 period

Standard/ Interpretation:

Interest rate Benchmark Reform - Phase 2: amendments to IFRS 4, 7, 9, 16 and IAS 39

The effective date of these amendments are for years beginning on or after 01 January 2021. These amendments have no material impact on the condensed interim financial statements.

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

The effective date of the amendment is for years beginning on or after 01 June 2020. This amendment has no material impact on the condensed interim 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: Years beginning on or after	Expected impact:
To be determined	Unlikely there will be a material impact
01 January 2023	Unlikely there will be a material impact
01 January 2023	Unlikely there will be a material impact
01 January 2023	Unlikely there will be a material impact
01 January 2023	Unlikely there will be a material impact
01 January 2022	Unlikely there will be a material impact
01 January 2022	Unlikely there will be a material impact
01 January 2022	Unlikely there will be a material impact
01 January 2022	Unlikely there will be a material impact
01 January 2022	Unlikely there will be a material impact
01 January 2022	Unlikely there will be a material impact
01 January 2022	Unlikely there will be a material impact
01 January 2022	Unlikely there will be a material impact
01 January 2022	Unlikely there will be a material impact

Amendments to IFRS 10 and IAS 28: sale or contribution of assets between an investor and its associate or joint venture
Deferred taxation related to assets and liabilities arising from a single transaction - Amendments to IAS 12
Disclosure of accounting policies: Amendments to IAS 1 and IFRS Practice Statement 2
Definition of accounting estimates: Amendments to IAS 8
Classification of liabilities as Current or Non-Current - Amendments to IAS 1
IFRS 17 insurance contracts
Annual Improvements to IFRS Standards 2018-2020: Amendments to IFRS 1
Reference to the conceptual framework: Amendments to IFRS 3
Annual Improvements to IFRS Standards 2018-2020: Amendments to IFRS 9
Property, plant and equipment: Proceeds before intended use: Amendments to IAS 16
Onerous contracts - cost of fulfilling a contract: Amendments to IAS 37
Annual Improvements to IFRS Standards 2018-2020: Amendments to IAS 41

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 interim 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 as at 30 June 2021. 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 effective income taxation rate of 29% (31 December 2020: 29%). The stand alone company, Paratus Namibia Holdings Limited, did not earn any taxable income for the six months under review.

Paratus Namibia Holdings Limited

(Registration number : 2017/0558)

Condensed Interim Financial Statements
for the 6 months ended 31 December 2021

Notes to the condensed financial statements for the 6 months ended 31 December 2021

9. Property, plant and equipment

Reconciliation of property, plant and equipment

	GROUP				
	6 months ended 31 December 2021				
	N\$	N\$	N\$	N\$	N\$
	Opening balance	Additions / revaluation	Disposals/ transfers	Depreciation	Closing balance
Land	14 280 005	-	-	-	14 280 005
Buildings	46 050 000	-	-	-	46 050 000
Fiber passive equipment	48 496 542	-	-	1 446 571	47 049 971
Fiber active equipment	5 029 593	4 955 261	-	1 550 892	8 433 962
Infrastructure	203 029 041	70 477 685	(144 542)	(6 628 799)	266 733 385
Core network assets	25 818 990	15 329 110	-	(5 393 510)	35 754 590
Equipment	16 263 071	7 297 549	(4 287)	(6 290 924)	17 265 409
Furniture & Fittings	701 571	310 409	-	(226 803)	785 177
Motor Vehicles	2 840 641	853 966	-	(614 024)	3 080 583
Capital Work in Progress	27 507 208	47 491 151	-	-	74 998 359
	390 016 662	146 715 131	(148 829)	(22 151 524)	514 431 440

In the current period additions / revaluations on property, plant and equipment include a prior period measurement adjustment amounting to N\$158 275. Of this adjustment an amount of N\$124 467 pertains to an "at acquisition", measurement adjustment, refer note 12.

Reconciliation of property, plant and equipment

	GROUP				
	6 months ended 31 December 2020				
	N\$	N\$	N\$	N\$	N\$
	Opening balance	Additions / revaluation	Disposals/ transfers	Depreciation	Closing balance
Land	3 970 000	9 355 005	-	-	13 325 005
Buildings	46 050 000	-	-	-	46 050 000
Fiber passive equipment	51 389 684	-	-	(1 446 571)	49 943 113
Fiber active equipment	6 277 896	181 838	-	(1 119 995)	5 339 739
Infrastructure	94 849 770	65 598 034	-	(3 654 167)	156 793 637
Core network assets	25 809 350	6 236 364	-	(7 141 780)	24 903 934
Equipment	11 945 890	7 481 593	(38 229)	(4 256 505)	15 132 749
Furniture & Fittings	875 942	156 262	-	(327 783)	704 421
Motor Vehicles	2 516 496	133 717	-	(419 722)	2 230 491
Capital Work in Progress	10 559 378	819 202	-	-	11 378 580
	254 244 406	89 962 015	(38 229)	(18 366 523)	325 801 669

Reconciliation of property, plant and equipment

	GROUP				
	12 months ended 30 June 2021				
	N\$	N\$	N\$	N\$	N\$
	Opening balance	Additions / revaluation	Disposals/ transfers	Depreciation	Closing balance
Land	3 970 000	10 310 005	-	-	14 280 005
Buildings	46 050 000	-	-	-	46 050 000
Fiber passive equipment	51 389 684	-	-	(2 893 142)	48 496 542
Fiber active equipment	6 277 896	1 055 505	-	(2 303 808)	5 029 593
Infrastructure	94 849 770	105 451 605	11 293 363	(8 565 697)	203 029 041
Core network assets	25 809 350	13 889 967	(15 653)	(13 864 674)	25 818 990
Equipment	11 945 890	13 898 752	(47 778)	(9 533 793)	16 263 071
Furniture & Fittings	875 942	321 508	-	(495 879)	701 571
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
	254 244 406	174 404 595	(63 431)	(38 568 908)	390 016 662

In the prior 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 232 (a portion of Erf 231), Prosperita

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

GROUP		
6 months ended 31 December 2021	6 months ended 31 December 2020	12 months ended 30 June 2021
N\$	N\$	N\$
470 000	470 000	470 000
1 125 306	1 125 306	1 125 306
9 924 694	9 924 694	9 924 694
11 520 000	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", measuring 1,343 square metres. Held under Registered Deed of Transfer T0070/2008.

Erf no. 348, Prosperita

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

GROUP		
6 months ended 31 December 2021	6 months ended 31 December 2020	12 months ended 30 June 2021
N\$	N\$	N\$
3 500 000	3 500 000	3 500 000
18 876 499	18 876 499	18 876 499
16 123 501	16 123 501	16 123 501
38 500 000	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 metres. Registered under Deed of Transfer T5746/2008.

Paratus Namibia Holdings Limited

(Registration number : 2017/0558)

Condensed Interim Financial Statements
for the 6 months ended 31 December 2021

Notes to the condensed financial statements for the 6 months ended 31 December 2021

9. Property, plant and equipment (continued)

GROUP		
6 months ended 31 December 2021	6 months ended 31 December 2020	12 months ended 30 June 2021
N\$	N\$	N\$

Erf no. 5360 Swakopmund

- Land at cost

955 000	-	955 000
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Property consists of Erf 3560, 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 been finalised and the internal fit out was completed in January 2022. The landing station is now ready to accommodate the cable, which is due to land in Namibia during the second quarter of 2022. The total capital expenditure at 31 December 2021 amounts to N\$34 848 776. Work-in-progress amounts to N\$33 853 776.

GROUP		
6 months ended 31 December 2021	6 months ended 31 December 2020	12 months ended 30 June 2021
N\$	N\$	N\$

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

- Land at cost

9 355 005	9 355 005	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 metres. The data center is expected to be completed during 2022 at a total cost of N\$123 million. Total capital expenditure towards this project at 31 December 2021 amounts to N\$50 406 914. Work in progress amounts to N\$41 051 909.

At 30 June 2021 the directors performed a desktop valuation of the Prosperita erven and based on the valuation the fair value of land and buildings approximates its carrying amount. The valuation was based on open market value for existing use.

Property, plant and equipment are tangible assets which the group holds for its own use 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.

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.

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 stated at revalued amounts. The revalued amount is the fair value at the date of revaluation less any subsequent accumulated depreciation and impairment losses.

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

Any increase in an asset's carrying amount, as a result of a revaluation, is recognised in other comprehensive income and accumulated in the revaluation reserve in equity. The increase is recognised in profit or loss to the extent that it reverses a revaluation decrease of the same asset previously recognised in profit or loss.

Any decrease in an asset's carrying amount, as a result of a revaluation, is recognised in profit or loss in the current period. The decrease is recognised in other comprehensive income to the extent of any credit balance existing in the revaluation reserve in respect of that asset. The decrease recognised in other comprehensive income reduces the amount accumulated in the revaluation reserve in equity.

The revaluation reserve related to a specific item of property, plant and equipment is transferred directly to retained income when the asset is derecognised.

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. 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	N\$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.

Paratus Namibia Holdings Limited

(Registration number : 2017/0558)

Condensed Interim Financial Statements
for the 6 months ended 31 December 2021

Notes to the condensed financial statements for the 6 months ended 31 December 2021

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.

Right-of-use assets are classified separately and pertains 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.

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 group is a lessee are presented below:

Net carrying amount of right-of-use assets

Reconciliation of right-of-use assets

Right-of-use asset

GROUP				
6 months ended 31 December 2021				
N\$	N\$	N\$	N\$	N\$
Opening balance	Additions	Disposals/ modification	Depreciation	Closing balance
2 013 764	-	-	(470 901)	1 542 863

Right-of-use asset

GROUP				
6 months ended 31 December 2020				
N\$	N\$	N\$	N\$	N\$
Opening balance	Additions	Disposals/ modification	Depreciation	Closing balance
1 771 687	-	-	(440 141)	1 331 546

Right-of-use asset

GROUP				
12 months ended 30 June 2021				
N\$	N\$	N\$	N\$	N\$
Opening balance	Additions	Disposals/ modification	Depreciation	Closing balance
1 771 687	-	1 122 359	(880 282)	2 013 764

The carrying amount of right of use assets

Buildings

1 542 863	1 331 546	2 013 764
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Depreciation recognised on right-of-use assets

Buildings

(470 901)	(440 141)	(880 282)
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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.

At year-end all qualifying leases are reassessed and a lease modification is accounted for if necessary. No gain or loss on lease modification has been accounted for under other operating gains during the current 6 months.

Other disclosures

Interest expense on lease liabilities

(86 733) (85 434) (150 663)

Expenses on short term leases included in operating expenses

(384 107) (200 094) (412 536)

Total cash flow from leases

(617 687) (588 843) (1 188 707)

Lease liabilities

Maturity analysis of lease liabilities are as follows:

Within one year

Two to five years

Less finance charge component

GROUP		
6 months ended 31 December 2021	6 months ended 31 December 2020	12 months ended 30 June 2021
N\$	N\$	N\$
1 291 748	1 130 075	1 271 573
806 430	940 474	1 444 462
2 098 178	2 070 549	2 716 035
(131 989)	(161 131)	(218 892)
1 966 189	1 909 418	2 497 143

GROUP		
6 months ended 31 December 2021	6 months ended 31 December 2020	12 months ended 30 June 2021
N\$	N\$	N\$
1 966 189	1 909 418	2 497 143
783 369	1 020 960	1 392 845
1 182 820	888 458	1 104 298

Non-current liabilities

Current liabilities

Paratus Namibia Holdings Limited

(Registration number : 2017/0558)

Condensed Interim Financial Statements for the 6 months ended 31 December 2021

Notes to the condensed financial statements for the 6 months ended 31 December 2021

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					
6 months ended 31 December 2021					
N\$	N\$	N\$	N\$	N\$	
Opening balance	Additions / revaluations	Disposals	Amortisation	Closing balance	
Paratus Brand	12 462 300	-	(1 384 700)	11 077 600	
Telecommunications License / Network Spectrum	241 408 500	-	-	241 408 500	
Free right of use (Fiber capacity - Botswana)	23 119 266	-	(693 578)	22 425 688	
Computer software	4 069 072	1 178 471	(1 253 481)	3 994 062	
Goodwill	12 287 742	19 242	-	12 306 984	
Customer base	450 297	-	(192 984)	257 313	
Customer relationship - Botswana Fiber Network	2 691 657	-	(72 748)	2 618 909	
	296 488 834	1 197 713	(3 597 491)	294 089 056	

In the current period additions / revaluations on intangible assets include a measurement adjustment amounting to N\$19 242. Refer note 12 for detail in this regards.

GROUP					
6 months ended 31 December 2020					
N\$	N\$	N\$	N\$	N\$	
Opening balance	Additions / revaluations	Disposals	Amortisation	Closing balance	
Paratus Brand	15 231 700	-	(1 384 700)	13 847 000	
Telecommunications License / Network Spectrum	241 408 500	-	-	241 408 500	
Free right of use (Fiber capacity - Botswana)	24 506 422	-	(693 578)	23 812 844	
Computer software	1 930 560	366 583	(815 937)	1 481 206	
Goodwill	10 406 074	-	-	10 406 074	
Customer base	836 266	-	(192 984)	643 282	
Customer relationship - Botswana Fiber Network	2 837 152	-	(72 748)	2 764 404	
	297 156 674	366 583	(3 159 947)	294 363 310	

GROUP					
12 months ended 30 June 2021					
N\$	N\$	N\$	N\$	N\$	
Opening balance	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	1 930 560	4 086 289	(1 947 777)	4 069 072	
Goodwill	10 406 074	1 881 668	-	12 287 742	
Customer base	836 266	-	(385 969)	450 297	
Customer relationship - Botswana Fiber Network	2 837 152	-	(145 495)	2 691 657	
	297 156 674	5 967 957	(6 635 797)	296 488 834	

On 1 June 2021 Paratus Telecommunications (Proprietary) Limited acquired a 52% interest in Bitstream Internet Solutions (Proprietary) Limited ("Bitstream"), through a business combination, resulting in goodwill to the amount of N\$1 881 668. A prior year measurement adjustment on the accounting records of Bitstream has resulted in an adjustment to initial Goodwill amounting to N\$19 242. Refer note 12.

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.

Fair value information

Intangible assets at fair value are classified as level 3 financial instruments. Level 3 financial instruments are valued at unobservable inputs for the assets. No transfers of financial instruments have been made between fair value hierarchy levels during the reporting period.

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 31 December 2021	% voting power 31 December 2020	% voting power 30 June 2021	% holding 31 December 2021	% holding 31 December 2020	% holding 30 June 2021
Paratus Telecommunications (Proprietary) Limited	100%	100%	100%	100%	100%	100%
Group interests held indirectly - held by Paratus Telecommunications (Proprietary) Limited						
Name of company	% voting power 31 December 2021	% voting power 31 December 2020	% voting power 30 June 2021	% holding 31 December 2021	% holding 31 December 2020	% holding 30 June 2021
Internet Technologies Namibia (Proprietary) Limited	100%	100%	100%	100%	100%	100%
Paratus Properties (Proprietary) Limited	100%	100%	100%	100%	100%	100%
Paratus Property Two (Proprietary) Limited	100%	100%	100%	100%	100%	100%
Paratus Voice Telecommunications (Proprietary) Limited	100%	100%	100%	100%	100%	100%
Bitstream Internet Solutions (Proprietary) Limited	52%	0%	52%	52%	0%	52%

Paratus Namibia Holdings Limited

(Registration number : 2017/0558)

Condensed Interim Financial Statements
for the 6 months ended 31 December 2021

Notes to the condensed financial statements for the 6 months ended 31 December 2021

12. Investment in subsidiaries (continued)

The following table lists the carrying amounts of the investments:

Company interest held directly by Paratus Namibia Holdings Limited

	Carrying amount 31 December 2021 N\$	Carrying amount 31 December 2020 N\$	Carrying amount 30 June 2021 N\$
Paratus Telecommunications (Proprietary) Limited	427 644 393	427 644 393	427 644 393
Group interests held indirectly - held by Paratus Telecommunications (Proprietary) Limited			
	Carrying amount 31 December 2021 N\$	Carrying amount 31 December 2020 N\$	Carrying amount 30 June 2021 N\$
Internet Technologies Namibia (Proprietary) Limited	10 000	10 000	10 000
Paratus Properties (Proprietary) Limited	8 933 207	8 933 207	8 933 207
Paratus Property Two (Proprietary) Limited	14 498 004	14 498 004	14 498 004
Paratus Voice Telecommunications (Proprietary) Limited	100	100	100
Bitstream Internet Solutions (Proprietary) Limited	2 080 000	-	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 ("Bitstream"), through a business combination.

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

	6 months ended 31 December 2021 N\$	12 months ended 30 June 2021 N\$
Fair value of consideration transferred	2 080 000	2 080 000
Fair value of previously held equity interest	-	-
Fair value of purchase consideration	2 080 000	2 080 000
The assets and liabilities recognised as a result of the acquisition are as follows:		
Cash and cash equivalents	196	196
Property, plant and equipment	381 212	381 212
Measurement period adjustment : property, plant and equipment (refer note 9)	124 467	-
Measurement period adjustment : other financial liabilities (refer note 18)	(161 472)	-
Net identifiable assets acquired	344 403	381 408
Add: Goodwill	1 881 668	1 881 668
Add: measurement period adjustment - Goodwill (refer note 11)	19 242	-
Less: Non-controlling interest	(183 076)	(183 076)
Add: measurement period adjustment - Non-controlling interest	17 762	-
	2 080 000	2 080 000

The subsidiary's audited figures reflected that property, plant and equipment "at acquisition" has been remeasured at the amount of N\$505 679.82. Additional hire purchase liabilities amounting to N\$161 472 has also been accounted for "at acquisition" as per subsidiary's audited figures. A trademark asset in the standalone books of Bitstream has increased by N\$ 37 005, from N\$1 698 787 to N\$1 735 793. The results of the audit was not available to the holding company at the time of finalisation of the 30 June 2021 consolidation. The remeasurement in "at acquisition" assets and liabilities has resulted in a change in the calculated Goodwill and NCI at acquisition. Recalculated figures amount to N\$1 900 910 pertaining to Goodwill and N\$165 314 pertaining to NCI.

13. Loans to related parties

	GROUP			COMPANY		
	6 months ended 31 December 2021 N\$	6 months ended 31 December 2020 N\$	12 months ended 30 June 2021 N\$	6 months ended 31 December 2021 N\$	6 months ended 31 December 2020 N\$	12 months ended 30 June 2021 N\$
Loans to related parties						
Paratus Telecommunications (Proprietary) Limited - Namibia	-	-	-	51 000 000	3 000 000	36 500 000
Interest will be charged at 0% per annum. There are no fixed terms of repayment, other than a 12 month notice period. The loan is a variable long-term loan for inter alia the following:						
<ul style="list-style-type: none"> A share buy-back from PNH; Cash contributions towards capital projects within the Company; and Dividends payable to Paratus Namibia Holdings Limited to replenish reserves to enable dividend payments to the shareholders of Paratus Namibia Holdings Limited. 						
Paratus Telecommunications (Proprietary) Limited - Namibia	-	-	-	200 477 705	-	200 478 275
The loan is a long-term loan for capital projects within the Group. Interest will be charged as per the Applicable Pricing Supplements for the N\$25 000 000 and N\$175 000 000 Senior Unsecured Floating Rate Notes. Interest payments to be made to the note holders by Paratus Telecommunications (Proprietary) Limited on behalf of Paratus Namibia Holdings Limited. Repayment terms to be back-to-back with the Medium Term Note Programme's Applicable Pricing Supplement for the three years and five years notes issued by Paratus Namibia Holdings Limited, respectively. This loan is subject to a twelve month written notice period for repayment.						
BRJ Harmse	-	91 328	-	-	-	-
This loan bears no interest and is repayable on demand.						
Paratus Group Holdings Limited - Mauritius (shareholder)	128 567	129 096	-	-	-	-
This loan bears no interest and is repayable on demand.						
Canocopy (Proprietary) Limited - Namibia	-	518 415	216 372	-	-	-
The loan is unsecured, bears interest at prime plus 0.25% per annum and is repayable in 156 monthly capital instalments of N\$50 000 (excluding interest which is calculated on the outstanding balance). The loan has been settled at 31 December 2021.						
Maya Investments Close Corporation	27 600	-	-	-	-	-
This loan bears no interest and has no fixed repayment terms.						
Misty Bay Investments One Hundred and Forty Close Corporation	(9 052)	-	(266 004)	-	-	-
This loan bears no interest and has no fixed repayment terms.						
Synapse Business Solutions (Proprietary) Limited	(12 949)	-	-	-	-	-
This loan bears no interest and has no fixed repayment terms.						
Non-current asset	-	-	-	251 000 000	3 000 000	236 500 000
Current assets	156 167	738 840	216 372	477 705	-	478 275
Non-current liabilities	-	-	(266 004)	-	-	-
Current liabilities	(22 001)	-	-	-	-	-
	134 166	738 840	(49 632)	251 477 705	3 000 000	236 978 275

Paratus Namibia Holdings Limited

(Registration number : 2017/0558)

Condensed Interim Financial Statements
for the 6 months ended 31 December 2021

Notes to the condensed financial statements for the 6 months ended 31 December 2021

14. Trade and other receivables

	GROUP			COMPANY		
	6 months ended 31 December 2021	6 months ended 31 December 2020	12 months ended 30 June 2021	6 months ended 31 December 2021	6 months ended 31 December 2020	12 months ended 30 June 2021
	N\$	N\$	N\$	N\$	N\$	N\$
Financial instruments:						
Customer receivables	25 938 501	15 064 207	25 406 560	-	-	-
Loss Allowance	(3 716 661)	(1 194 445)	(3 139 686)	-	-	-
	22 221 840	13 869 762	22 266 874	-	-	-
Deposits	664 332	607 732	607 732	-	-	-
Sundry debtors	533 602	370 386	83 435	-	-	-
Non-financial instruments:						
Prepayments	10 116 250	4 218 596	7 726 167	-	-	-
VAT receivable	13 676 077	5 028 506	9 338 244	-	-	-
	47 212 101	24 094 982	40 022 452	-	-	-

The customer receivables have been ceded to First National Bank of Namibia Limited as security for overdraft facilities.

15. Investments at fair value

	GROUP			COMPANY		
	6 months ended 31 December 2021	6 months ended 31 December 2020	12 months ended 30 June 2021	6 months ended 31 December 2021	6 months ended 31 December 2020	12 months ended 30 June 2021
	N\$	N\$	N\$	N\$	N\$	N\$
Details of Money market fund:	56 520 553	86 321 499	159 856 281	22 571 033	71 603 310	27 811 598
IJG Corporate Money Market Solutions	-	-	-	-	-	-
Cirrus Capital Money Market Fund	33 949 520	14 718 189	132 044 684	-	-	-
Capricorn Corporate fund	1 815 511	7 784 470	10 002 675	1 815 511	7 784 470	10 002 675
Old Mutual Corporate Fund	20 755 522	63 818 840	17 808 922	20 755 522	63 818 840	17 808 922
IJG Corporate Money Market Solutions						
Opening balance	-	39 911 073	39 911 073	-	-	-
Withdrawals	-	(40 856 197)	(40 856 197)	-	-	-
Deposits	-	-	-	-	-	-
Dividends	-	945 124	945 124	-	-	-
	-	-	-	-	-	-
Cirrus Capital Money Market Fund						
Opening balance	132 044 684	-	-	-	-	-
Withdrawals	(110 000 000)	-	(82 718 189)	-	-	-
Deposits	10 000 000	14 573 924	214 573 924	-	-	-
Dividends	1 904 836	144 265	188 949	-	-	-
	33 949 520	14 718 189	132 044 684	-	-	-
Capricorn Corporate fund						
Opening balance	10 002 675	7 948 198	7 948 198	10 002 675	7 948 198	7 948 198
Withdrawals	(8 310 000)	(340 300)	(45 380 700)	(8 310 000)	(340 300)	(45 380 700)
Deposits	-	-	47 161 000	-	-	47 161 000
Dividends	122 836	176 572	274 177	122 836	176 572	274 177
	1 815 511	7 784 470	10 002 675	1 815 511	7 784 470	10 002 675
Old Mutual Corporate Fund						
Opening balance	17 808 922	67 237 556	67 237 556	17 808 922	67 237 556	67 237 556
Withdrawals	-	(4 910 000)	(52 071 001)	-	(4 910 000)	(52 071 001)
Deposits	2 540 000	-	-	2 540 000	-	-
Dividends	406 600	1 491 284	2 642 367	406 600	1 491 284	2 642 367
	20 755 522	63 818 840	17 808 922	20 755 522	63 818 840	17 808 922

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 six months ended 31 December 2021 (31 December 2020: N\$Nil; 30 June 2021: N\$Nil).

16. Cash and cash equivalents

	GROUP			COMPANY		
	6 months ended 31 December 2021	6 months ended 31 December 2020	12 months ended 30 June 2021	6 months ended 31 December 2021	6 months ended 31 December 2020	12 months ended 30 June 2021
	N\$	N\$	N\$	N\$	N\$	N\$
Cash on hand	10 687 044	771 919	6 953 020	110 813	217 279	10 090 103
Bank Balances	60 723	14 016	27 065	-	-	-
Bank overdraft	10 667 944	2 014 399	11 021 961	110 813	217 279	10 090 103
	(41 623)	(1 256 496)	(4 096 006)	-	-	-

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:

	6 months ended 31 December 2021	6 months ended 31 December 2020	12 months ended 30 June 2021
	N\$	N\$	N\$
- Overdraft facility	20 000 000	20 000 000	20 000 000
- Contingent facility	10 020 000	10 020 000	10 020 000
- PACS collection facilities	120 000	4 000 000	120 000
- First card facility	300 000	300 000	300 000
- Wesbank revolving facility	2 500 000	2 500 000	2 500 000

Paratus Namibia Holdings Limited

(Registration number : 2017/0558)

Condensed Interim Financial Statements
for the 6 months ended 31 December 2021

Notes to the condensed financial statements for the 6 months ended 31 December 2021

17. Share capital

	GROUP			COMPANY		
	6 months ended 31 December 2021	6 months ended 31 December 2020	12 months ended 30 June 2021	6 months ended 31 December 2021	6 months ended 31 December 2020	12 months ended 30 June 2021
Reconciliation of number of shares issued:						
Reported as at 01 July	48 723 123	47 385 623	47 385 623	48 723 123	48 723 123	48 723 123
Cross-shareholding	-	1 337 500	1 337 500	-	-	-
	48 723 123	48 723 123	48 723 123	48 723 123	48 723 123	48 723 123
	N\$	N\$	N\$	N\$	N\$	N\$
Issued						
Ordinary shares at N\$0.01	487 231	487 231	487 231	487 231	487 231	487 231
Share premium	500 187 472	500 187 472	500 187 472	500 187 472	500 187 472	500 187 472
	500 674 703	500 674 703	500 674 703	500 674 703	500 674 703	500 674 703

18. Borrowings

	GROUP			COMPANY		
	6 months ended 31 December 2021	6 months ended 31 December 2020	12 months ended 30 June 2021	6 months ended 31 December 2021	6 months ended 31 December 2020	12 months ended 30 June 2021
	N\$	N\$	N\$	N\$	N\$	N\$
Held at amortised cost						
Secured						
Bank Windhoek loans ¹	129 542	-	-	-	-	-
Development Bank of Namibia ²	-	73 059 946	-	-	-	-
Wesbank ³	-	149 179	-	-	-	-
	129 542	73 209 125	-	-	-	-
Unsecured						
Three-year Senior Unsecured Floating Rate Notes ⁴	175 416 045	-	175 416 543	175 416 045	-	175 416 543
Five-year Senior Unsecured Floating Rate Notes ⁵	25 061 660	-	25 061 732	25 061 660	-	25 061 732
	200 477 705	-	200 478 275	200 477 705	-	200 478 275
Non-current liabilities	200 000 000	59 115 785	200 000 000	200 000 000	-	200 000 000
Current liabilities	607 247	14 093 340	478 275	477 705	-	478 275
	200 607 247	73 209 125	200 478 275	200 477 705	-	200 478 275

¹ Instalment sales agreements are payable in monthly instalments, bears interest at variable interest rates per annum and is secured by assets with a carrying amount of N\$224 767.

A prior year remeasurement adjustment amounting to (N\$161 472) pertains to two hire purchase agreements adjusted for as at acquisition of Bitstream Internet Solutions (Proprietary) Limited. (refer to note 12)

² The Development Bank of Namibia loan has been repaid in full during the 30 June 2021 financial year-end and the respective sureties were released.

³ Wesbank loans has been repaid in full during the 30 June 2021 financial year-end. The borrowings bore interest at variable interest rates (6.75% to 8.75%) per annum and was secured by the assets directly linked to each agreement.

⁴ 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.

⁵ 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.

The Unsecured Floating Rate Notes are subject to the following covenant ratios:

	GROUP		
	6 months ended 31 December 2021	6 months ended 31 December 2020	12 months ended 30 June 2021
Net Debt (Total debt less cash/ EBITDA) multiple not more than 3.5 times	2.33	n/a	1.87
EBITDA interest cover multiple not less than 2.5 times	8.82	n/a	15.32

19. Contract liabilities

	GROUP			COMPANY		
	6 months ended 31 December 2021	6 months ended 31 December 2020	12 months ended 30 June 2021	6 months ended 31 December 2021	6 months ended 31 December 2020	12 months ended 30 June 2021
	N\$	N\$	N\$	N\$	N\$	N\$
Contract liabilities - non-current	120 870 129	98 757 634	97 661 588	-	-	-
Contract liabilities - current	112 603 262	91 218 245	88 444 920	-	-	-
	8 266 867	7 539 389	9 216 668	-	-	-

Income received in advance mainly relates to revenue billed in advance for the Group's ICT services which includes income in advance for the Indefeasible-Right-of-Use which is amortised over a period of 20 years and other advanced billings which are amortised over a period of one year.

20. Trade and other payables

	GROUP			COMPANY		
	6 months ended 31 December 2021	6 months ended 31 December 2020	12 months ended 30 June 2021	6 months ended 31 December 2021	6 months ended 31 December 2020	12 months ended 30 June 2021
	N\$	N\$	N\$	N\$	N\$	N\$
Financial instruments:						
Trade payables	12 606 825	13 435 862	26 437 536	25 985	142 564	678 457
Leave pay accrual	3 471 218	3 429 264	4 549 020	-	-	-
Salary accrual	4 413 380	3 656 474	2 717 786	-	-	-
Sundry payables	52 339	-	-	-	-	-
Deposits received	52 179	61 164	57 873	-	-	-
Non-financial instruments						
VAT	139 590	-	115 813	-	-	-
	20 735 531	20 582 764	33 878 028	25 985	142 564	678 457

Financial instruments and non-financial instrument components of trade and other payables

At amortised cost	20 595 941	20 582 764	33 762 215	25 985	142 564	678 457
Non-financial instruments	139 590	-	115 813	-	-	-
	20 735 531	20 582 764	33 878 028	25 985	142 564	678 457

Paratus Namibia Holdings Limited

(Registration number : 2017/0558)

Condensed Interim Financial Statements
for the 6 months ended 31 December 2021

Notes to the condensed financial statements for the 6 months ended 31 December 2021

21. Provisions

Reconciliation of provisions - 31 December 2021

Provision: CRAN regulatory levy

Provision: Audit fees

Salary provision

GROUP			
N\$	N\$	N\$	N\$
Opening Balance	Additions	Utilised during the year	Closing Balance
1 866 934	248 507	-	2 115 441
469 050	444 085	(454 784)	458 351
6 524 751	3 167 037	(6 383 112)	3 308 676
8 860 735	3 859 629	(6 837 896)	5 882 468

Reconciliation of provisions - 31 December 2020

Provision: CRAN regulatory levy

Provision: Audit fees

Salary provision

GROUP			
N\$	N\$	N\$	N\$
Opening Balance	Additions	Utilised during the year	Closing Balance
117 955	447 064	-	565 019
957 660	356 202	(766 127)	547 735
4 573 060	2 796 279	(4 364 109)	3 005 230
5 648 675	3 599 545	(5 130 236)	4 117 984

Reconciliation of provisions - 30 June 2021

Provision: CRAN regulatory levy

Provision: Audit fees

Salary provision

GROUP			
N\$	N\$	N\$	N\$
Opening Balance	Additions	Utilised during the year	Closing Balance
117 955	1 748 979	-	1 866 934
957 660	727 923	(1 216 533)	469 050
4 573 060	7 647 707	(5 696 016)	6 524 751
5 648 675	10 124 609	(6 912 549)	8 860 735

Every licensed telecommunications company in Namibia was subject to a universal service levy payable to Communications Regulatory Authority of Namibia ("CRAN"). The regulatory levy is paid based on a licensee's turnover which is limited to turnover derived from services or business which may be regulated under the Act.

A provision for audit fees is created based on the expected fees to be paid for the services rendered for the current period.

Salary provisions include provision for bonuses to the amount of N\$2 691 950 (31 December 2020: N\$2 478 449; 30 June 2021: N\$5 908 025); and provision for severance pay to the amount of N\$616 726 (31 December 2020: N\$526 781; 30 June 2021: N\$616 726).

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

22. Dividends payable

Opening balance 01 July

Dividends declared

Crossholding

Dividends paid out

Closing balance

GROUP			COMPANY		
6 months ended 31 December 2021	6 months ended 31 December 2020	12 months ended 30 June 2021	6 months ended 31 December 2021	6 months ended 31 December 2020	12 months ended 30 June 2021
N\$	N\$	N\$	N\$	N\$	N\$
38 301	4 738 562	4 738 562	38 301	4 872 312	4 872 312
4 872 312	4 872 312	9 744 625	4 872 312	4 872 312	9 744 625
-	133 750	133 750	-	-	-
(4 864 138)	(9 715 300)	(14 578 636)	(4 864 138)	(9 715 300)	(14 578 636)
46 475	29 324	38 301	46 475	29 324	38 301

The total dividends for the period amounts to N\$4 872 312 (31 December 2020: N\$4 872 312; 30 June 2021: N\$9 744 625).

23. Cash generated from operations

Profit for the period

Interest Paid

Interest Received

Dividend income

Adjustment for non-cash expenses:

Depreciation on property plant and equipment

Depreciation right of use asset

Amortisation on intangible assets

(Gains) / losses on foreign exchange

Interest paid lease liability

Profit on sale of assets

Profit on sale of shares

Movements in provisions

Changes in operating assets and liabilities

Inventories

Trade and other receivables

Prepayments

Contract liabilities

Trade and other payables

GROUP			COMPANY		
6 months ended 31 December 2021	6 months ended 31 December 2020	12 months ended 30 June 2021	6 months ended 31 December 2021	6 months ended 31 December 2020	12 months ended 30 June 2021
N\$	N\$	N\$	N\$	N\$	N\$
27 694 512	23 594 089	42 248 236	4 837 094	4 267 914	8 062 059
6 808 436	2 965 689	6 014 275	6 801 667	-	-
(5 639)	(38 647)	(56 539)	(6 801 667)	-	-
(2 434 271)	(2 757 246)	(4 050 618)	(5 029 436)	(4 667 856)	(9 416 544)
22 151 524	21 526 470	38 568 908	-	-	-
470 902	440 141	880 282	-	-	-
3 597 798	-	6 635 797	-	-	-
(265 458)	(18 595)	1 625 435	-	-	-
86 733	85 434	150 663	-	-	-
3 787	(931 733)	(84 918)	-	-	-
-	-	(882 750)	-	-	-
(2 978 267)	(1 530 691)	3 212 060	(40 337)	-	114 409
31 784	(8 039 086)	(5 020 061)	-	-	-
(3 802 724)	2 990 614	(9 568 099)	-	-	-
(2 390 084)	2 836 553	(671 017)	-	-	-
23 208 541	10 445 845	9 349 799	-	-	-
(13 848 549)	(6 460 399)	6 834 865	(652 472)	140 616	676 508
58 329 025	45 108 438	95 186 318	(885 151)	(259 326)	(563 568)

Paratus Namibia Holdings Limited

(Registration number : 2017/0558)

Condensed Interim Financial Statements
for the 6 months ended 31 December 2021

Notes to the condensed financial statements for the 6 months ended 31 December 2021

24. Revenue

	GROUP			COMPANY		
	6 months ended 31 December 2021 N\$	6 months ended 31 December 2020 N\$	12 months ended 30 June 2021 N\$	6 months ended 31 December 2021 N\$	6 months ended 31 December 2020 N\$	12 months ended 30 June 2021 N\$
Disaggregation of revenue from contracts with customers						
Revenue from contracts with customers is generated from the provision of ICT services to customers.						
The company disaggregates revenue from customers as follows:						
Timing of revenue recognition						
At a point in time						
Cloud	122 486	892	4 451	-	-	-
Connectivity	13 776 610	2 567 372	7 002 014	-	-	-
Local Area Network	14 442 941	11 611 554	23 745 587	-	-	-
Security	15 329	36 001	81 056	-	-	-
	<u>28 357 366</u>	<u>14 215 819</u>	<u>30 833 108</u>	<u>-</u>	<u>-</u>	<u>-</u>
Over time						
Cloud	7 849 269	7 303 039	14 484 647	-	-	-
Connectivity	144 579 605	129 874 162	265 293 739	-	-	-
Local Area Network	5 982 374	5 794 634	11 487 753	-	-	-
Security	17 605	22 355	39 961	-	-	-
Voice	7 839 744	8 042 770	15 563 723	-	-	-
Discount allowed	(771 833)	(647 826)	(1 192 729)	-	-	-
	<u>165 496 764</u>	<u>150 389 134</u>	<u>305 677 094</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total revenue form contracts with customers	<u>193 854 130</u>	<u>164 604 953</u>	<u>336 510 202</u>	<u>-</u>	<u>-</u>	<u>-</u>
Revenue other than through contracts with customers consists of dividends received from investments.						
Dividends received - money market funds	2 434 271	2 757 246	4 050 618	529 436	1 667 856	2 916 544
Dividends received - subsidiaries	-	-	-	4 500 000	3 000 000	6 500 000
	<u>2 434 271</u>	<u>2 757 246</u>	<u>4 050 618</u>	<u>5 029 436</u>	<u>4 667 856</u>	<u>9 416 544</u>
Total revenue	<u>196 288 401</u>	<u>167 362 199</u>	<u>340 560 820</u>	<u>5 029 436</u>	<u>4 667 856</u>	<u>9 416 544</u>

25. Cost of sales

	GROUP			COMPANY		
	6 months ended 31 December 2021 N\$	6 months ended 31 December 2020 N\$	12 months ended 30 June 2021 N\$	6 months ended 31 December 2021 N\$	6 months ended 31 December 2020 N\$	12 months ended 30 June 2021 N\$
Rendering of services	74 752 632	63 154 667	125 585 170	-	-	-
Stock purchase price variance	(55 322)	(115 926)	70 668	-	-	-
Stock adjustments	240 510	64 948	248 575	-	-	-
Depreciation	20 069 353	16 215 540	34 372 546	-	-	-
Discount received	(13 410)	(78 113)	(80 004)	-	-	-
	<u>94 993 763</u>	<u>79 241 116</u>	<u>160 196 955</u>	<u>-</u>	<u>-</u>	<u>-</u>

26. Other operating income

	GROUP			COMPANY		
	6 months ended 31 December 2021 N\$	6 months ended 31 December 2020 N\$	12 months ended 30 June 2021 N\$	6 months ended 31 December 2021 N\$	6 months ended 31 December 2020 N\$	12 months ended 30 June 2021 N\$
Administration and management fees received	12 247	14 330	26 413	-	-	-
Commission received	-	-	(669)	-	-	-
Bad debts recovered	26 854	28 294	50 368	-	-	-
Sundry income	720 867	159 710	387 740	-	-	-
	<u>759 968</u>	<u>202 334</u>	<u>463 852</u>	<u>-</u>	<u>-</u>	<u>-</u>

27. Other operating gains

	GROUP			COMPANY		
	6 months ended 31 December 2021 N\$	6 months ended 31 December 2020 N\$	12 months ended 30 June 2021 N\$	6 months ended 31 December 2021 N\$	6 months ended 31 December 2020 N\$	12 months ended 30 June 2021 N\$
Gains on disposal, scrapping and settlements						
Property, plant and equipment	(3 788)	48 983	84 918	-	-	-
Shares	-	882 750	882 750	-	-	-
Foreign exchange losses						
Net foreign exchange losses	(14 929)	(736 660)	(1 006 681)	-	-	-
Total other operating gains	<u>(18 717)</u>	<u>195 073</u>	<u>(39 013)</u>	<u>-</u>	<u>-</u>	<u>-</u>

28. Operating profit

	GROUP			COMPANY		
	6 months ended 31 December 2021 N\$	6 months ended 31 December 2020 N\$	12 months ended 30 June 2021 N\$	6 months ended 31 December 2021 N\$	6 months ended 31 December 2020 N\$	12 months ended 30 June 2021 N\$
Operating profit for the period is stated after charging (crediting) the following, amongst others:						
Auditor's remuneration - external						
Audit fees - PWC	504 427	466 333	857 120	74 647	110 131	224 540
Consulting fees - PWC	125 013	53 400	249 764	-	34 500	34 500
Training - PWC	-	-	8 435	-	-	-
	<u>629 440</u>	<u>519 733</u>	<u>1 115 319</u>	<u>74 647</u>	<u>144 631</u>	<u>259 040</u>
Remuneration, other than to employees						
Consulting and professional services	1 921 434	2 053 594	4 491 952	29 670	158 700	665 261
Secretarial services	261 224	182 971	573 722	41 146	49 068	285 856
Sponsor retainer	31 919	30 840	30 840	31 919	30 840	30 840
	<u>2 214 577</u>	<u>2 267 405</u>	<u>5 096 514</u>	<u>102 735</u>	<u>238 608</u>	<u>981 957</u>

Paratus Namibia Holdings Limited

(Registration number : 2017/0558)

Condensed Interim Financial Statements
for the 6 months ended 31 December 2021

Notes to the condensed financial statements for the 6 months ended 31 December 2021

28. Operating profit (continued)

	GROUP			COMPANY		
	6 months ended 31 December 2021	6 months ended 31 December 2020	12 months ended 30 June 2021	6 months ended 31 December 2021	6 months ended 31 December 2020	12 months ended 30 June 2021
	N\$	N\$	N\$	N\$	N\$	N\$
Directors' remuneration						
Non-executive directors' remuneration						
Non-executive directors' fees	-	-	-	411 226	408 465	893 846
Less: non-executive directors' fees paid by subsidiaries	-	-	-	(411 226)	(408 465)	(893 846)
Total non-executive directors' fees paid	-	-	-	-	-	-
Executive directors' remuneration						
Non-executive directors' fees	-	-	-	4 412 560	3 535 468	6 493 223
Less: non-executive directors' fees paid by subsidiaries	-	-	-	(4 412 560)	(3 535 468)	(6 493 223)
Total non-executive directors' fees paid	-	-	-	-	-	-
Employee costs						
Salaries, wages, bonuses and other benefits	37 787 282	36 625 021	76 906 097	-	-	-
Leases						
Operating lease charges ⁶	384 107	200 094	412 536	-	-	-
Depreciation and amortisation						
Depreciation of property, plant and equipment	22 151 524	18 366 523	38 568 908	-	-	-
Depreciation of right-of-use assets	470 902	440 141	880 282	-	-	-
Amortisation of intangible assets	3 597 490	3 159 947	6 635 797	-	-	-
Total depreciation and amortisation	26 219 916	21 966 611	46 084 987	-	-	-
Less: Depreciation and amortisation included in cost of sales	(20 069 353)	(16 215 540)	(34 372 546)	-	-	-
Total depreciation and amortisation expensed	6 150 563	5 751 071	11 712 441	-	-	-

⁶ 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.

Expenses by nature

The total marketing expenses, general and administrative expenses, maintenance expenses and other operating expenses are analysed by nature as follows:

Advertising	3 878 542	3 243 793	7 223 924	-	-	-
Auditor's remuneration	629 440	519 733	1 115 319	74 647	144 631	259 040
Bad debts	983 996	(1 183 923)	907 201	-	-	-
Depreciation, amortisation and impairment	6 150 563	5 751 071	11 712 441	-	-	-
Employee costs	37 787 282	36 625 021	76 906 097	-	-	-
Insurance	1 662 196	1 710 258	3 071 964	-	-	-
License fees	5 324 898	5 548 270	11 247 272	-	-	-
Motor vehicle expenses	937 199	615 779	1 499 471	-	-	-
Operating lease charges	384 107	200 094	412 536	-	-	-
Other expenses ⁷	6 152 974	5 676 328	11 230 769	14 960	16 703	113 488
Remuneration, other than to employees	2 214 577	2 267 405	5 096 514	102 735	238 608	981 957
Telephone	610 039	611 709	1 159 788	-	-	-
Travelling	736 034	326 387	848 773	-	-	-
	67 451 847	61 911 925	132 432 069	192 342	399 942	1 354 485

⁷ Other expenses pertains to 10% or less of total operating expenses, and has not been split out in more detail.

29. Other information

Shares in issue

	6 months ended 31 December 2021	6 months ended 31 December 2020	12 months ended 30 June 2021
Total number of shares in issue	48 723 123	48 723 123	48 723 123
Weighted number of shares in issue	48 723 123	48 054 373	48 386 000
Net asset value per share (cents per share)	1 159.89	1 113.86	1 129.77
Listed market price per share (cents per share)	1 277.00	1 149.00	1 200.00
Premium to net asset value	10.10%	3.15%	6.22%
Capital commitments (including approved but not contracted)	N\$167 900 000	N\$222 900 000	N\$318 800 000
Market capitalisation	N\$622 194 281	N\$559 828 683	N\$584 677 476
Adjusted earnings before interest, taxation, depreciation and importation (EBITDA)	N\$60 803 958	N\$48 573 176	N\$94 441 622
EBITDA Margin %	30.98%	29.02%	27.73%
EBITDA per share (cents)	124.79	101.08	193.83
Net Debt (Total debt less cash)/ EBITDA multiple (not more than 3.5x)	2.33	n/a	1.87
EBITDA interest cover multiple (not less than 2.5x)	8.82	n/a	15.32

Earnings

	N\$	N\$	N\$
Profit for the period attributable to the equity holders of the parent	19 241 471	16 538 403	28 937 115
Headline adjustments:			
After taxation profit on sale of property, plant and equipment	2 575	(33 308)	(57 745)
Gain on deemed disposal of crossholding shares	-	(882 750)	(882 750)

Headline earnings

	19 244 046	15 622 345	27 996 620
	6 months ended 31 December 2021	6 months ended 31 December 2020	12 months ended 30 June 2021
	Cents	Cents	Cents
Basic earnings per ordinary share	39.49	34.42	59.80
Headline earnings per ordinary share	39.50	32.51	57.86
Dividend per share	10.00	10.00	20.00

Paratus Namibia Holdings Limited

(Registration number : 2017/0558)

Condensed Interim Financial Statements
for the 6 months ended 31 December 2021

Notes to the condensed financial statements for the 6 months ended 31 December 2021

30. Commitments and contingencies

	Group			Company		
	6 months ended 31 December 2021 N\$	6 months ended 31 December 2020 N\$	12 months ended 30 June 2021 N\$	6 months ended 31 December 2021 N\$	6 months ended 31 December 2020 N\$	12 months ended 30 June 2021 N\$
Capital commitments						
Authorised but not contracted for:						
Property and equipment	95 300 000	194 600 000	195 600 000	-	-	-
Contracted for but not yet incurred:						
Property and equipment	72 600 000	28 300 000	123 200 000	-	-	-

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 during the prior year .

For the period to 31 December 2021 Paratus Namibia has invested N\$147.7 million in infrastructure. Of this total investment, N\$75.4 million was invested in the fiber network, of which N\$8 million was invested towards a fiber network in the Northern towns of Namibia and N\$15 million was invested to expand the current fiber network in the coastal towns of Namibia.

An amount of N\$11 million was invested towards the LTE networks in Windhoek, the coastal towns, and the North of Namibia.

A total amount of N\$34.8 million was invested in the Cable Landing Station in Swakopmund, which has now been completed and is ready for service.

To date, N\$50.4 million was invested in the Data Center, which is expected to be completed during the third quarter of 2022 at a total cost of N\$123 million.

Management considers EBITDA as an important operational performance measure, as it mirrors Paratus Namibia's ability to generate cash flows from operations. The disparity between profit after taxation and EBITDA stems from the large depreciation charges recorded on infrastructure deployed.

For the period under review, Paratus Namibia have funded 40% of the total capital investment from operational cash flows, which includes the Data Center project. The investment in infrastructure bodes well for the group, as is evident from the improvement in the EBITDA margin emanating from the cost savings realised by using own infrastructure, as well as adding customers to existing infrastructure.

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

31. Events occurring after the reporting period

Dividends declared

On 23 March 2022 the directors declared a dividend of 10c per ordinary share 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 this report.

32. Related parties

Executive directors	A. Hall S.L.v.Z. Erasmus S.I. de Bruin B.R.J. Harmse
Non-executive directors	J.J. Esterhuyse H.B. Gerdes J.N.N. Shikongo M.R. Mostert S.H. Birch R.P.K. Mendelsohn (alternate director to B.R.J. Harmse)
Members of key management	A. Hall (MD) S.L.v.Z. Erasmus (Group COO) S.I. de Bruin (Group CFO) B.R.J. Harmse (Group CEO) RPK Mendelsohn (Group CTO) S.J. Geyser G. Duvenhage C.A. van Rensburg
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)
Related entities (common members as subsidiary)	Synapse Business Solutions (Proprietary) Limited Misty Bay Investments One Hundred and Forty Close Corporation Maya Investments Close Corporation

Paratus Namibia Holdings Limited

(Registration number : 2017/0558)

Condensed Interim Financial Statements
for the 6 months ended 31 December 2021

Notes to the condensed financial statements for the 6 months ended 31 December 2021

32. Related parties (continued)

	GROUP			COMPANY		
	6 months ended 31 December 2021 N\$	6 months ended 31 December 2020 N\$	12 months ended 30 June 2021 N\$	6 months ended 31 December 2021 N\$	6 months ended 31 December 2020 N\$	12 months ended 30 June 2021 N\$
Related party balances						
Investment in subsidiary						
Paratus Telecommunications (Proprietary) Limited - Namibia	-	-	-	427 644 393	427 644 393	427 644 393
Loan accounts - owing by related parties						
Paratus Telecommunications (Proprietary) Limited - Namibia	-	-	-	51 000 000	3 000 000	36 500 000
Paratus Telecommunications (Proprietary) Limited - Namibia	-	-	-	200 477 705	-	200 478 275
BRJ Harmse	-	91 328	-	-	-	-
Paratus Group Holdings Limited - Mauritius (shareholder)	128 567	129 096	-	-	-	-
Canocopy (Proprietary) Limited - Namibia	-	518 415	216 372	-	-	-
Maya Investments Close Corporation	27 600	-	-	-	-	-
Misty Bay Investments One Hundred and Forty Close Corporation	(9 052)	-	(266 004)	-	-	-
Synapse Business Solutions (Proprietary) Limited	(12 949)	-	-	-	-	-
Amounts included in trade receivables regarding related parties						
Internet Technologies Angola S.A.	2 305 575	805 577	1 432 587	-	-	-
Canocopy (Proprietary) Limited	101 939	111 447	97 292	-	-	-
Paratus Telecommunications (Proprietary) Limited - South Africa	74 575	93 365	54 335	-	-	-
Paratus Telecommunications Limited - Mauritius	1 221 555	399 709	4 340 372	-	-	-
Paratus Telecommunications Limited - Zambia	408 791	36 604	55 314	-	-	-
Paratus Telecom S.A. - Mozambique	37 350	71 064	16 717	-	-	-
Amounts included in trade payables regarding related parties						
Paratus Telecommunications (Proprietary) Limited - South Africa	530 201	-	488 727	-	-	-
Canocopy (Proprietary) Limited	45 418	33 744	48 034	-	-	-
Paratus Telecommunications (Proprietary) Limited - Botswana	141 350	111 397	139 310	-	-	-
Paratus Telecom S.A. - Mozambique	125 327	-	-	-	-	-
Directors remuneration						
Non-executive directors fees	-	-	-	411 226	408 465	893 846
Less: non-executive directors fees paid by subsidiaries	-	-	-	(411 226)	(408 465)	(893 846)
Executive directors fees	-	-	-	4 412 560	3 535 468	6 493 223
Less: executive directors fees paid by subsidiaries	-	-	-	(4 412 560)	(3 535 468)	(6 493 223)