



**PARATUS**

Paratus Namibia Holdings Limited

(Incorporated in the Republic of Namibia)

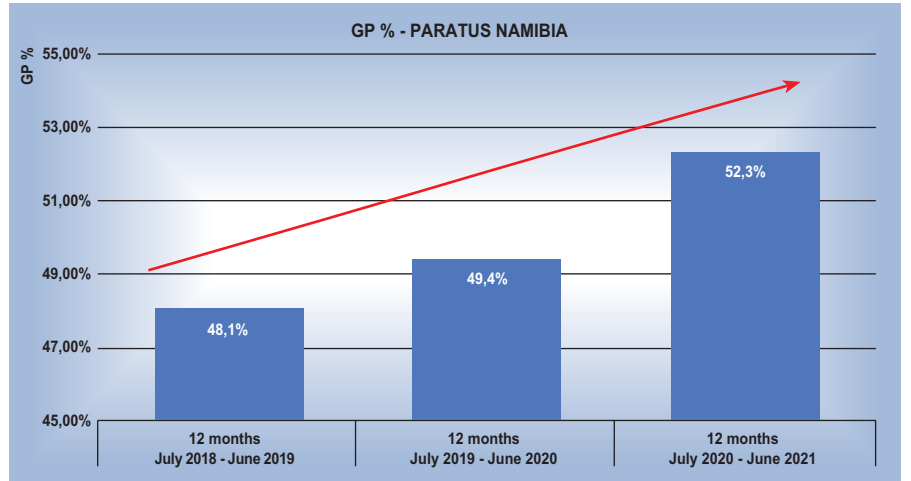
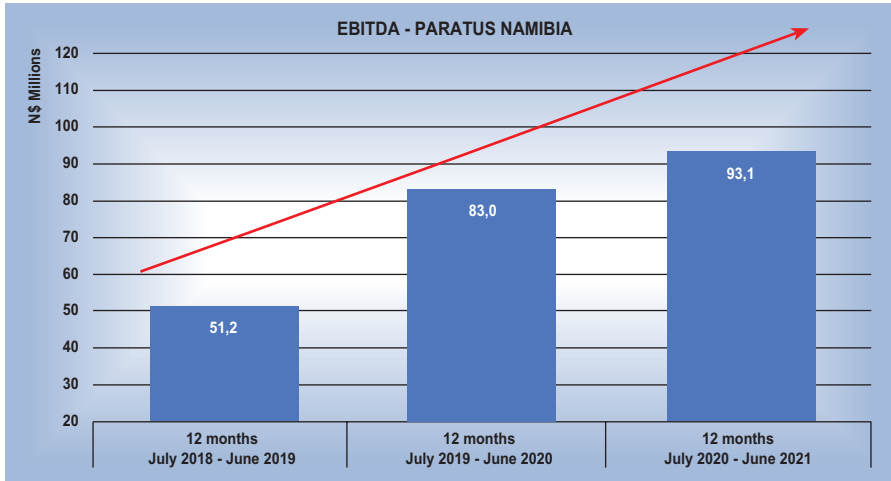
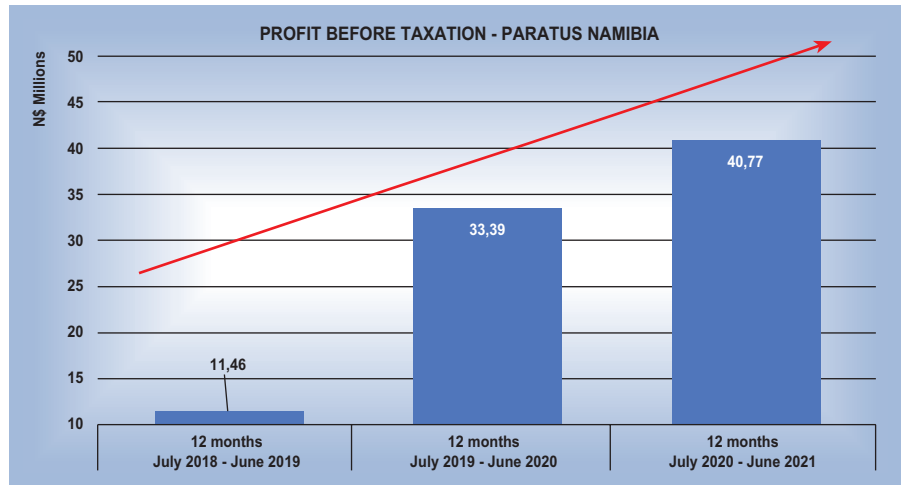
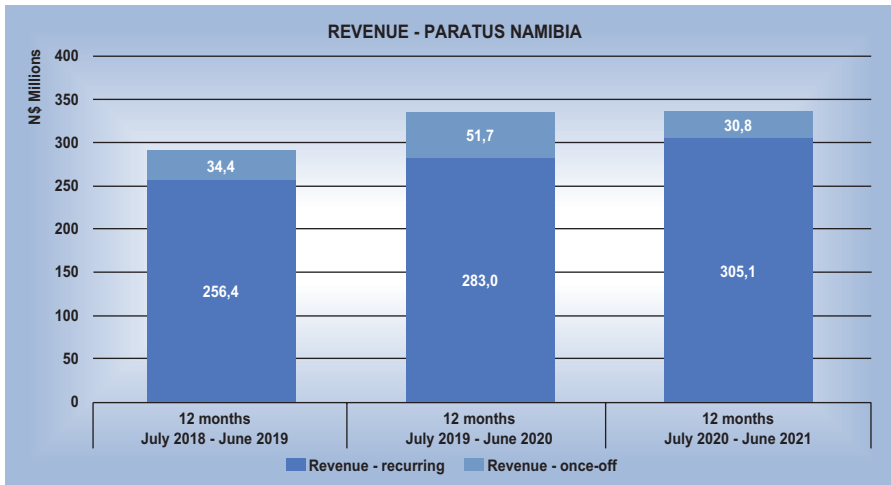
(Registration number 2017/0558) ("Paratus Holdings" or "the group")

(NSX Share code: PNH) (ISN code: NA 000A2DTQ42)

<https://invest.paratus.africa>

# REVIEWED FINANCIAL RESULTS

For the year ended 30 June 2021



## CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

for the year ended 30 June 2021

	12 months 30 June 2021 Reviewed N\$	16 months 30 June 2020 Audited N\$
Revenue	340 560 820	173 390 963
Cost of sales	(160 196 955)	(78 090 616)
<b>Gross Profit</b>	<b>180 363 865</b>	<b>95 300 347</b>
Other operating income	463 852	282 664
Other operating (losses)/ gains	(39 013)	3 558 614
Operating expenses	(132 432 069)	(70 703 021)
<b>Operating profit</b>	<b>48 356 635</b>	<b>28 438 604</b>
Share of associate's results after taxation	-	6 662 882
Interest received	56 539	90 784
Finance cost	(6 164 938)	(4 024 915)
<b>Profit before taxation</b>	<b>42 248 236</b>	<b>31 167 355</b>
Taxation	(13 272 005)	(5 741 566)
<b>Profit for the year</b>	<b>28 976 231</b>	<b>25 425 789</b>
Other comprehensive income:		
Items that will not be reclassified to profit or loss:		
After taxation gains on property revaluation	-	1 985 600
<b>Total comprehensive income for the year</b>	<b>28 976 231</b>	<b>27 411 389</b>
Total comprehensive income attributable to:		
Equity holders of the parent entity	28 937 115	27 411 389
Non-controlling interests	39 116	-
<b>Total comprehensive income for the year</b>	<b>28 976 231</b>	<b>27 411 389</b>

## CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

as at 30 June 2021

	30 June 2021 Reviewed N\$	30 June 2020 Audited N\$
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	390 016 662	254 244 407
Right-of-use assets	2 013 764	1 771 687
Intangible assets	296 488 834	297 156 674
Loans to related parties	-	220 231
	<b>688 519 260</b>	<b>553 392 999</b>
<b>Current assets</b>		
Finance lease receivables	4 088	103 163
Inventories	18 755 187	13 735 126
Loans to related parties	216 372	600 000
Trade and other receivables	40 022 452	29 922 149
Investments at fair value	159 856 281	115 096 827
Current taxation receivable	3 509 125	1 972 681
Cash and cash equivalents	11 049 026	20 965 432
	<b>233 412 531</b>	<b>182 395 378</b>
<b>TOTAL ASSETS</b>	<b>921 931 791</b>	<b>735 788 377</b>
<b>EQUITY AND LIABILITIES</b>		
Share Capital	500 674 703	486 911 828
Non-distributable reserves	1 985 600	1 985 600
Distributable reserves	47 575 481	28 382 990
Non-controlling interest	222 192	-
	<b>550 457 976</b>	<b>517 280 418</b>
<b>Non-current liabilities</b>		
Loans from related parties	266 004	-
Borrowings	200 000 000	64 889 735
Lease liabilities	1 392 845	1 364 059
Contract liabilities	88 444 920	79 480 705
Deferred taxation	23 697 735	10 425 730
	<b>313 801 504</b>	<b>156 160 229</b>
<b>Current liabilities</b>		
Trade and other payables	33 878 028	27 043 162
Borrowings	478 275	14 994 478
Lease liabilities	1 104 298	1 048 768
Contract liabilities	9 216 668	8 831 084
Provisions	8 860 735	5 648 675
Bank overdraft	4 096 006	43 001
Dividends payable	38 301	4 738 562
	<b>57 672 311</b>	<b>62 347 730</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>921 931 791</b>	<b>735 788 377</b>

## CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

for the year ended 30 June 2021

	30 June 2021 Reviewed N\$	30 June 2020 Audited N\$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Cash generated from operating activities	91 742 756	65 836 265
Cash generated by operations	95 186 318	60 696 473
Interest paid	(6 014 275)	(3 850 172)
Interest received	56 539	90 784
Dividend income	4 050 618	9 052 815
Tax paid	(1 536 444)	(153 635)
Cash flows used in investing activities	(210 055 879)	(35 669 315)
Cash flows generated / (used) in financing activities	105 830 333	(8 856 247)
<b>Net (decrease) / increase in cash and cash equivalents</b>	<b>(12 482 791)</b>	<b>21 310 703</b>
<b>Cash and Cash equivalents at the beginning of the year</b>	<b>20 922 431</b>	<b>186 325</b>
<b>Effect of exchange rate on cash and cash equivalents</b>	<b>(1 486 620)</b>	<b>(574 597)</b>
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR</b>	<b>6 953 020</b>	<b>20 922 431</b>

## CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the year ended 30 June 2021

	Total share capital N\$	Distributable reserves N\$	Non- distributable reserves N\$	Non- controlling interest N\$	Total N\$
<b>Audited balance at 1 March 2019</b>	292 408 222	7 695 764	-	-	300 103 986
Issue of shares	194 503 606	-	-	-	194 503 606
Dividends paid	-	(4 738 562)	-	-	(4 738 562)
Profit for the year	-	25 425 789	-	-	25 425 789
Other comprehensive income	-	-	1 985 600	-	1 985 600
<b>Audited balance at 1 July 2020</b>	<b>486 911 828</b>	<b>28 382 990</b>	<b>1 985 600</b>	<b>-</b>	<b>517 280 418</b>
Cross-holding shares disposed of during the year	13 762 875	-	-	-	13 762 875
Acquisition of subsidiary	-	-	-	183 076	183 076
Dividends	-	(9 744 625)	-	-	(9 744 625)
Profit for the year	-	28 937 115	-	39 116	28 976 231
Other comprehensive income	-	-	-	-	-
<b>Reviewed balance 30 June 2021</b>	<b>500 674 703</b>	<b>47 575 481</b>	<b>1 985 600</b>	<b>222 192</b>	<b>550 457 975</b>

### 1. OTHER INFORMATION

	30 June 2021 Reviewed	30 June 2020 Audited
Number of shares in issue	48 723 123	47 385 622
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\$318,8 million	N\$323 million
Market capitalisation	N\$584 677 476	N\$535 954 353
Basic earnings per share (cents)	59.80	71.27
Headline earnings per share (cents)	57.86	67.29
Dividends per share (cents)	20.00	10.00
EBITDA	N\$94 441 622	N\$55 148 095
EBITDA per share (cents)	195.18	154.58
Net Debt / EBITDA (not more than 3.5x)	1.87	1.31
EBITDA interest cover rate (not less than 2.5x)	15.32	13.70

### 2. NOTES TO THE FINANCIAL RESULTS

#### 2.1 Basis of preparation

The reviewed condensed consolidated financial statements for the year ending 30 June 2021, from which this information is derived, is prepared in accordance with the requirements of the NSX Listings Requirements for provisional reports and the requirements of the Companies Act of Namibia. This announcement is not itself reviewed. 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. 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 annual condensed 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 condensed financial statements.

# REVIEWED FINANCIAL RESULTS

For the year ended 30 June 2021 (continued)

## 2. NOTES TO THE FINANCIAL RESULTS (continued)

### 2.2 Basic and Headline earnings per ordinary share

	30 June 2021 Reviewed	30 June 2020 Audited
<b>Shares in issue</b>		
Total number of shares in issue	48 723 123	47 385 623
Weighted number of shares in issue	48 386 000	35 675 523

The crossholding of 1 337 500 shares held by the subsidiary in the holding company resulted in a decrease of the consolidated shares at 30 June 2020. Paratus Telecommunications (Pty) Ltd (Paratus Namibia) sold the crossholding shares (1 337 500 shares) on 1 October 2020, which increased the consolidated shares in issue to 48 723 123. This disposal of shares resulted in a profit on disposal amounting to N\$882 750, included under other operating gains.

The basic earnings and headline earnings per share for the year ended 30 June 2021 are calculated as follows:

	30 June 2021 Reviewed N\$	30 June 2020 Audited N\$
<b>Earnings</b>		
Profit for the year attributable to the equity holders of the parent	28 937 115	25 425 789
Headline adjustments:		
After taxation (profit) / loss on sale of property, plant and equipment	(57 745)	1 304
Profit on disposal of shares	(882 750)	-
Gain on lease modification	-	(499 568)
Gain on deemed disposal of investment in associate	-	(923 021)
<b>Headline earnings</b>	<b>27 996 620</b>	<b>24 004 504</b>
Basic earnings per ordinary share (cents)	59.80	71.27
Headline earnings per ordinary share (cents)	57.86	67.26

### 2.3 Property, plant and equipment

	30 June 2021 Reviewed N\$	30 June 2020 Audited N\$
Net book value at the beginning of the year	254 244 407	-
Addition through business combination	381 213	231 786 691
Capital expenditure	178 109 670	38 933 449
Disposals	(63 431)	(18 946)
Depreciation	(38 568 908)	(16 269 281)
<b>Net book value at the end of the year</b>	<b>390 016 662</b>	<b>254 244 407</b>

### 2.4 Intangible assets

	30 June 2021 Reviewed N\$	30 June 2020 Audited N\$
Net book value at the beginning of the year	297 156 674	-
Addition through business combination	1 881 668	300 146 349
Capital expenditure	4 086 289	187 506
Amortisation	(6 635 797)	(3 177 181)
<b>Net book value at the end of the year</b>	<b>296 488 834</b>	<b>297 156 674</b>

### 2.5 Investments at fair value

Investments at fair value amounting to N\$159,9 million (30 June 2020: N\$115 million) consist of investments in money market funds, which earned dividends of N\$4,050 million (30 June 2020: N\$9, 053 million). The dividends received are included under revenue.

Investments at fair value are short term in nature and classified as level 2 financial instruments. Level 2 financial instruments are valued at prices relative to prices in the market.

## 3. DIRECTORS' COMMENTARY

### 3.1 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.

### 3.2 Capital projects

During the financial year ending 30 June 2021, Paratus Namibia, the operating entity, incurred capital expenditure amounting 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.

## 3. DIRECTORS' COMMENTARY (continued)

### 3.2 Capital projects (continued)

#### • 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.

#### • 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 includes 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.

### 3.3 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.

### 3.4 Events after the reporting period

As at the date of approval of the financial results, the Board was not aware of any material events after the reporting period.

### 3.5 Changes to the Board

There have been no changes to the board of directors.

### 3.6 Contingent liabilities

As at the date of approval of the financial results, the Board was not aware of any contingent liabilities.

### 3.7 Dividends declared

The Group has declared dividends to the ordinary shareholders amounting to N\$ 9 744 624 (30 June 2020: N\$4 872 312), during the 2021 financial year.

The directors declared a final dividend of 10 cents per ordinary share.

The salient dates of the dividend declared are as follows:

- Board declaration date: 21 September 2021
- Last date to trade cum dividend: 22 October 2021
- First day to trade ex dividend: 25 October 2021
- Record date: 29 October 2021
- Payment date: 12 November 2021

### 3.8 Appreciation

The Board would like to thank the management team, service providers and our valued customers for their continued support and dedication. Finally, we would like to thank our shareholders for their support and association with Paratus Namibia Holdings Limited.

By order of the Board

H B Gerdes - Chairman of the Board  
23 September 2021

#### REGISTERED OFFICE

Paratus Namibia Holdings Limited  
104 - 106 Nickel Street, Prosperita,  
Windhoek, Namibia

#### COMPANY SECRETARY

Cronje Secretarial Services (Proprietary) Limited

#### DIRECTORS

H B Gerdes (Chairman) #, S H Birch #, S I de Bruin ^, S L V Z Erasmus ^, J J Esterhuyse \*, M R Mostert #, J N N Shikongo #, A Hall ^, B R J Harmse ^  
(\*South African, #Independent, ^Executive)

#### SPONSOR

Simonis Storm Securities (Pty) Ltd  
Member of the Namibian Stock Exchange  
4 Kock Street, Klein Windhoek, Windhoek, Namibia



#### TRANSFER SECRETARIES

Transfer Secretaries (Proprietary) Limited  
4 Robert Mugabe Avenue, Windhoek  
P O Box 2401, Windhoek, Namibia

Enjoy up to 25% discount  
**WITH FLEX BUNDLES.**

**YOU'VE GOT IT**

Starting from  
**N\$ 999**  
Per month  
excl. VAT