

# Paratus Namibia Holdings Ltd

Registration number: 2017/0558

Country of registration: Namibia

Condensed Consolidated and Separate Financial  
Statements for the year ended 30 June 2023



**PARATUS**  
Paratus Namibia Holdings Ltd

# Paratus Namibia Holdings Limited

(Registration number : 2017/0558)

Condensed consolidated and separate financial statements  
for the year ended 30 June 2023

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**Paratus Namibia Holdings Limited**  
(Registration number: 2017/0558)  
**Condensed consolidated and separate financial statements**  
**for the year ended 30 June 2023**

## **Financial performance overview**

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### **The market and prospects**

According to the Bank of Namibia Economic Outlook Report, Namibia's GDP growth is estimated to moderate downwards to 3.3% in 2023, from 4.6% in 2022 largely due to weaker global demand. The latest growth projection of 3.3% for 2023 represents a slight improvement from 3% published in the March 2023 Economic Outlook Report. Risks to domestic growth are predominantly in the form of monetary policy tightening globally and high cost of key import items.

External risks to the domestic economic outlook include weakening global economic activity, tighter global monetary policy, elevated crude oil prices and continued geopolitical tensions. Inflation revised downwards and is expected to average 5.6% in 2023.

For the financial year ending 30 June 2023 Paratus delivered continued revenue growth of 17% (2022:15%) against a backdrop of a continued weak local economy due to high interest rates and inflationary pressure. The double-digit revenue growth is mainly driven from the expansion of our fiber and LTE network across Namibia and the occupation of the new Data Center, which was inaugurated during the current financial year.

Paratus remains well placed to grow revenues due to extensive infrastructure investment during the financial year, which is driven by the continued demand for reliable internet.

The anticipated growth for the 2024 financial year is to be driven mostly by the ongoing occupancy of the Data Center and the utilization of the Equiano Submarine Cable Landing Station, which will provide the lowest latency connection between SA and Europe via the Paratus terrestrial fiber. There will also be a renewed focus to monetize the existing last mile fiber infrastructure to enhance the return on the infrastructure investments to date.

For the year ended 30 June 2023, Paratus Telecommunications (Proprietary) Limited ("Paratus Namibia"), the operating entity, realised recurring revenue of N\$428.2 million (30 June 2022: N\$351.7 million) which represents a growth of 22%. Non-recurring revenue, which represents Local Area Network installations in the commercial office space and the sale of Telecommunication Equipment, amounts to N\$35.4 million (30 June 2022: N\$43.5 million). This represents a decline of 19%. The decline is mainly attributable to management's focus to grow recurring revenue as opposed to lower margin non-recurring revenue.

The net profit before taxation, for the operating entity, for the year ended 30 June 2023 amounts to N\$ 33 million (30 June 2022: N\$43.8 million) and earnings before interest, taxation, depreciation and amortisation ("EBITDA") amounts to N\$163.6 million (30 June 2022: N\$122.5 million). This represents decline of 24.7% and a growth of 33.5%, respectively.

The main contributor to the decline in profitability is the increase in non-cash depreciation charges emanating from new infrastructure completed during the year, and include the Data Center, Cable Landing Station, and the Equiano Submarine Cable Branch. The combined cost of this new infrastructure is N\$358 million.

The increase in interest rates combined with the new N\$130 million bond issued during September 2022 have resulted in additional finance cost of N\$18.4 million when compared with the 2022 financial year.

Included in finance cost is the impact of IFRS 15 (significant financing component) which relates to contracts with customers where services are delivered over an extended period in lieu of an upfront cash or assets in kind settlement. The IFRS 15 financing component included in finance cost amounts to N\$22.9 million (2022: N\$11.5 million).

Over the same period the operating expenses increased by 8.6% due to the growth of the national network and the increase in distributions centres across Namibia. The recently completed Data Center which is not fully occupied also results in additional operating expenses.

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 mainly from the large depreciation charges recorded on infrastructure deployed.

The decline in the gross profit margin ("GP%") from 52.1% for the year ended 30 June 2022 to 51.4% for the year ended 30 June 2023 stems from the large depreciation charge emanating from the newly constructed Data Center, Equiano Submarine Branch and the Cable Landing Station which was Ready-For-Service on 12 January 2023. The depreciation charge on these assets amounts to N\$6.9 million, whilst the occupancy of the Data Center and utilisation of the Equiano Submarine Branch and Cable Landing Station were low at year-end.

The directors are of the opinion that the continued aggressive investment in infrastructure assets bodes well for both revenue growth and improved operating margins.

### **Capital projects**

For the year ended 30 June 2023 Paratus Namibia has invested N\$450 million in infrastructure (30 June 2022: N\$282 million). This includes N\$185 million from the Equiano Submarine Branch, which was acquired in lieu of services on existing infrastructure. At 30 June 2023 an amount of N\$37.65 million reflected under current liabilities, pertain to a portion of the Equiano Submarine Branch acquisition price, which was not converted to services yet. Once the fiber route running between Buitepos and Lobatse in Botswana is completed, the remaining liability of N\$37.65 million will be converted to a service on this route and the liability will be settled over time. It is expected that the construction of this route will be completed by 30 November 2023 at a total cost of approximately N\$45 million. This route from Johannesburg running through Botswana and Namibia to the Equiano Submarine Cable in Swakopmund and onwards toward Europe will provide the shortest route with the lowest latency to Europe and is therefore of strategic importance to Paratus for future revenue growth.

Other highlights for the year include the remaining construction cost of N\$26 million to complete the Data Center, which brings the total construction cost to N\$135 million.

A total amount of N\$60 million was invested in the LTE network to expand the Paratus coverage in the larger towns throughout Namibia.

The construction of a 200km long-haul fiber between Karibib and Otjiwarongo was completed during February 2023 at a total cost of N\$11 million. The fiber is constructed to serve the growing demand for bandwidth in the North. The project will result in a cost saving, as the capacity is currently sourced from a third-party supplier. Furthermore, this will enable Paratus to improve the service quality of our customers along the route.

Paratus has also embarked with the roll-out of fiber and LTE in Lüderitz to cater for the increased activity emanating from the oil exploration activities in the area.

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 network infrastructure.

### **Dividends**

The total dividends declared and paid for the 2023 financial year amounts to N\$ 9 744 625 (2022:N\$9 744 625).

## Paratus Namibia Holdings Limited

(Registration number: 2017/0558)

Condensed consolidated and separate financial statements  
for the year ended 30 June 2023

### Statement of responsibilities of the board of directors

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

To enable the directors to meet these responsibilities:

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

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

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

The condensed consolidated and separate financial statements presented on pages 6 to 24 have been prepared in accordance with the provisions of the Companies Act of Namibia, 28 of 2004 (Companies Act of Namibia) and comply with the International Accounting Standard, (IAS) 34 Interim Financial Reporting.

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

The condensed consolidated and separate financial statements have been reviewed by the independent auditing firm, PricewaterhouseCoopers, who was given unrestricted access to all financial records and related data, including minutes of all meetings of shareholders, the board of directors and committees of the board. The directors believe that all representations made to the independent auditor during the review were valid and appropriate. The independent auditor's review report is presented on pages 4 to 5.

The condensed consolidated and separate financial statements, set out on pages 6 to 24, were authorised and approved for issue by the board of directors on 19 September 2023 and are signed on their behalf:



A. Hall  
Managing Director



S.I. de Bruin  
Chief Financial Officer



## INDEPENDENT AUDITOR'S REVIEW REPORT ON FINANCIAL STATEMENTS

### *To the Shareholders of Paratus Namibia Holdings Limited*

We have reviewed the condensed consolidated and separate financial statements of Paratus Namibia Holdings Limited in the accompanying report, which comprise the condensed consolidated and separate statements of financial position as at 30 June 2023 and the related condensed consolidated and separate statements of comprehensive income, changes in equity and cash flows for the year then ended, and selected explanatory notes.

### *Directors' Responsibility for the Condensed Financial Statements*

The directors are responsible for the preparation and presentation of these condensed 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 financial statements that are free from material misstatement, whether due to fraud or error.

### *Auditor's Responsibility*

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

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

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

### *Conclusion*

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed consolidated and separate financial statements of Paratus Namibia Holdings Limited for the year ended 30 June 2023 are not prepared, in all material respects,

PricewaterhouseCoopers, Registered Auditors  
344 Independence Avenue, Windhoek, Khomas Region, Republic of Namibia  
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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: Hans Hashagen  
Partner  
Windhoek  
Date: 20 September 2023

# Paratus Namibia Holdings Limited

(Registration number: 2017/0558)

Condensed consolidated and separate financial statements  
for the year ended 30 June 2023

## Condensed Consolidated and Separate Statement of Profit or Loss and Other Comprehensive Income for the year ended 30 June 2023

Figures in Namibian Dollars	Notes	GROUP		COMPANY	
		Reviewed 30 June 2023	Audited 30 June 2022	Reviewed 30 June 2023	Audited 30 June 2022
Revenue	25	471 878 706	404 857 007	11 013 565	10 007 257
Cost of Sales	26	(226 800 614)	(190 726 746)	-	-
<b>Gross profit</b>		<b>245 078 092</b>	<b>214 130 261</b>	<b>11 013 565</b>	<b>10 007 257</b>
Other operating income	27	1 114 088	871 390	-	-
Other operating losses	28	(1 300 319)	(5 297)	-	-
Net impairment losses on financial assets		(928 064)	(598 636)	-	-
Operating expenses	29	(160 220 275)	(147 358 195)	(1 316 588)	(1 335 216)
<b>Operating profit</b>		<b>83 743 522</b>	<b>67 039 523</b>	<b>9 696 977</b>	<b>8 672 041</b>
Investment income		36 334	7 696	29 181 785	13 951 588
Finance costs	10, 18 & 19	(52 790 440)	(22 487 003)	(29 181 644)	(13 951 588)
Revaluation loss on land and buildings		-	(4 730 000)	-	-
<b>Profit before taxation</b>		<b>30 989 416</b>	<b>39 830 216</b>	<b>9 697 118</b>	<b>8 672 041</b>
Taxation	30	(11 360 980)	(18 097 366)	-	-
<b>Profit after taxation</b>		<b>19 628 436</b>	<b>21 732 850</b>	<b>9 697 118</b>	<b>8 672 041</b>
<b>Other comprehensive income</b>		<b>-</b>	<b>(1 985 600)</b>	<b>-</b>	<b>-</b>
<b>Total comprehensive income</b>		<b>19 628 436</b>	<b>19 747 250</b>	<b>9 697 118</b>	<b>8 672 041</b>
<b>Profit after taxation attributable to:</b>					
Equity holders of the parent entity		18 825 653	21 321 410	9 697 118	8 672 041
Non-controlling interests		802 783	411 440	-	-
		<b>19 628 436</b>	<b>21 732 850</b>	<b>9 697 118</b>	<b>8 672 041</b>
<b>Total comprehensive income attributable to:</b>					
Equity holders of the parent entity		18 825 653	19 335 810	9 697 118	8 672 041
Non-controlling interests		802 783	411 440	-	-
		<b>19 628 436</b>	<b>19 747 250</b>	<b>9 697 118</b>	<b>8 672 041</b>
Earnings before interest, taxation, depreciation and Amortisation (EBITDA)		162 968 804	122 748 039	9 696 977	8 672 041
Net interest bearing debt / EBITDA (not be more than 3.5x) exclude contract liability	31	1.96	1.69		
EBITDA to interest cover ratio (not be less than 2.5x) exclude contract liability interest	31	5.46	11.14		

The above Condensed Consolidated and Separate Statement of Profit or Loss and Other Comprehensive Income for the year ended 30 June 2023 should be read in conjunction with the accompanying notes.

# Paratus Namibia Holdings Limited

(Registration number: 2017/0558)

Condensed consolidated and separate financial statements  
for the year ended 30 June 2023

## Condensed Consolidated and Separate Statement of Financial Position as at 30 June 2023

		GROUP		COMPANY	
		Reviewed	Audited	Reviewed	Audited
Figures in Namibian Dollars	Notes	30 June 2023	30 June 2022	30 June 2023	30 June 2022
ASSETS					
Non-Current Assets					
Property, plant and equipment	9	993 867 043	614 606 160	-	-
Right-of-use asset	10	5 289 465	1 726 934	-	-
Intangible assets	11	288 666 541	291 266 200	-	-
Investment in subsidiaries	12	-	-	279 557 322	279 557 322
Loans to related parties	13	-	-	375 699 206	416 687 071
		1 287 823 049	907 599 294	655 256 528	696 244 393
Current Assets					
Inventories		24 005 607	27 306 515	-	-
Loans to related parties	13	-	6 460	176 167 296	521 656
Trade and other receivables	14	62 619 749	51 690 516	-	-
Investments at fair value	15	2 447 532	4 691 541	31 620	4 668 455
Current tax receivable		1 982 481	1 972 681	-	-
Cash and cash equivalents	16	14 480 346	3 686 536	132 478	218 039
		105 535 715	89 354 249	176 331 394	5 408 150
Total Assets		1 393 358 764	996 953 543	831 587 922	701 652 543
EQUITY & LIABILITIES					
Equity					
Share capital	17	487 231	487 231	487 231	487 231
Share premium	17	500 187 472	500 187 472	500 187 472	500 187 472
Retained Income / (Accumulated Loss)		58 739 986	49 658 960	(579 868)	(532 361)
Non-controlling interest		1 365 197	562 414	-	-
		560 779 886	550 896 077	500 094 835	500 142 342
Non-Current Liabilities					
Borrowings	18	155 000 000	200 020 010	155 000 000	200 000 000
Lease liabilities	10	4 184 713	787 905	-	-
Contract liabilities	19	302 105 035	129 847 277	-	-
Deferred tax	20	44 294 781	34 135 333	-	-
		505 584 529	364 790 525	155 000 000	200 000 000
Current Liabilities					
Loans from related parties	13	-	23 460	-	-
Trade and other payables	21	116 906 342	41 802 722	23 433	818 416
Borrowings	18	176 187 447	597 354	176 167 296	521 656
Lease liability	10	1 232 208	1 266 989	-	-
Contract liabilities	19	21 602 588	10 060 720	-	-
Current tax payable		9 996	143 069	-	-
Provisions	22	10 982 831	13 623 751	229 908	121 900
Dividends payable	23	72 450	48 229	72 450	48 229
Bank overdraft	16	487	13 700 647	-	-
		326 994 349	81 266 941	176 493 087	1 510 201
Total Liabilities		832 578 878	446 057 466	331 493 087	201 510 201
Total Equity & Liabilities		1 393 358 764	996 953 543	831 587 922	701 652 543

The above Condensed Consolidated and Separate Statement of Financial Position should be read in conjunction with the accompanying notes.



# Paratus Namibia Holdings Limited

(Registration number : 2017/0558)

Condensed consolidated and separate financial statements  
for the year ended 30 June 2023

## Condensed Consolidated and Separate Statement of Cash Flows for the year ended 30 June 2023

Figures in Namibian Dollars	Notes	GROUP		COMPANY	
		Reviewed Jun-23	Audited Jun-22	Reviewed Jun-23	Audited Jun-22
<b>Cash flows from operating activities</b>					
Cash generated from operations	24	201 830 563	128 421 214	2 646 836	22 962 633
Interest Paid		(29 199 733)	(10 971 193)	(29 181 644)	(13 946 773)
Interest Received		36 334	7 696	29 181 785	13 946 773
Tax paid		(1 344 405)	(559 925)	-	-
<b>Net cash generated from operating activities</b>		<b>171 322 759</b>	<b>116 897 792</b>	<b>2 646 977</b>	<b>22 962 633</b>
<b>Cash flows from investing activities</b>					
Acquisition of property, plant and equipment	9	(265 337 558)	(279 751 793)	-	-
Proceeds on disposal of property, plant and equipment		12 499	156 870	-	-
Acquisition of intangible assets	11	(4 160 721)	(2 008 592)	-	-
Finance lease receipts		-	4 088	-	-
Deposits into money market funds and similar securities	15	(151 200 000)	(34 540 000)	-	-
Withdrawals from money market funds and similar securities	15	155 350 400	193 340 400	-	-
Funds advanced to subsidiary		-	-	(134 650 000)	(23 100 000)
Funds advanced to related parties		-	(19 409)	-	-
Proceeds from loans to related parties		6 460	216 372	11 637 865	-
<b>Net cash used in investing activities</b>		<b>(265 328 920)</b>	<b>(122 602 064)</b>	<b>(123 012 135)</b>	<b>(23 100 000)</b>
<b>Cash flows from financing activities</b>					
Repayment of borrowings		(82 020)	(65 764)	-	-
Proceeds from borrowings	18	130 000 000	-	130 000 000	-
Payment on lease liabilities	10	(1 384 640)	(1 105 048)	-	-
Repayment of loans from related parties		(23 460)	(309 813)	-	-
Dividends paid		(9 720 403)	(9 734 697)	(9 720 403)	(9 734 697)
<b>Net cash (used in ) / generated from financing activities</b>		<b>118 789 477</b>	<b>(11 215 322)</b>	<b>120 279 597</b>	<b>(9 734 697)</b>
Decrease in cash equivalents		24 783 316	(16 919 594)	(85 561)	(9 872 064)
Cash equivalents at beginning of the year		(10 014 111)	6 953 020	218 039	10 090 103
Effect of exchange rates on cash and cash equivalents		(289 346)	(47 537)	-	-
<b>Cash equivalents at end of the year</b>	16	<b>14 479 859</b>	<b>(10 014 111)</b>	<b>132 478</b>	<b>218 039</b>

The above Condensed Consolidated and Separate Statement of Cash Flows should be read in conjunction with the accompanying notes.

# Paratus Namibia Holdings Limited

(Registration number : 2017/0558)

Condensed consolidated and separate financial statements  
for the year ended 30 June 2023

## Condensed consolidated and Separate Statement of Changes in Equity for the year ended 30 June 2023

	GROUP						
	Stated share capital	Share premium	Total share capital	Revaluation reserve	Retained earnings	Non-controlling interests	Total equity
	N\$	N\$	N\$	N\$	N\$	N\$	N\$
Balance as at 01 July 2021	487 231	500 187 472	500 674 703	1 985 600	38 139 776	222 193	541 022 272
Adjustments:							
Adjustment: Subsidiary	-	-	-	-	(57 603)	(71 217)	(128 820)
Adjusted balance as at 01 July 2021	487 231	500 187 472	500 674 703	1 985 600	38 082 173	150 976	540 893 452
- Profit for the year	-	-	-	-	21 321 410	411 440	21 732 850
- Other comprehensive income	-	-	-	(1 985 600)	-	-	(1 985 600)
Total comprehensive income for the period	-	-	-	(1 985 600)	21 321 410	411 440	19 747 250
Dividends declared	-	-	-	-	(9 744 625)	-	(9 744 625)
Total contributions by and distributions to owners of company recognised directly in equity	-	-	-	-	(9 744 625)	-	(9 744 625)
Balance as at 01 July 2022	487 231	500 187 472	500 674 703	-	49 658 958	562 416	550 896 077
- Profit for the year	-	-	-	-	18 825 653	802 783	19 628 436
- Other comprehensive income	-	-	-	-	-	-	-
Total comprehensive income for the year	-	-	-	-	18 825 653	802 783	19 628 436
Dividends declared	-	-	-	-	(9 744 625)	-	(9 744 625)
Total contributions by and distributions to owners of company recognised directly in equity	-	-	-	-	(9 744 625)	-	(9 744 625)
Balance as at 30 June 2023	487 231	500 187 472	500 674 703	-	58 739 986	1 365 199	560 779 888
Notes	17	17	17				

  

	COMPANY						
	Stated share capital	Share premium	Total share capital	Revaluation reserve	Retained earnings		Total equity
	N\$	N\$	N\$	N\$	N\$		N\$
Balance as at 01 July 2021	487 231	500 187 472	500 674 703	-	540 223		501 214 926
- Profit for the year	-	-	-	-	8 672 041		8 672 041
- Other comprehensive income	-	-	-	-	-		-
Total comprehensive income for the period	-	-	-	-	8 672 041		8 672 041
Dividends declared	-	-	-	-	(9 744 625)		(9 744 625)
Total contributions by and distributions to owners of company recognised directly in equity	-	-	-	-	(9 744 625)		(9 744 625)
Balance as at 01 July 2022	487 231	500 187 472	500 674 703	-	(532 361)		500 142 342
- Profit for the year	-	-	-	-	9 697 118		9 697 118
- Other comprehensive income	-	-	-	-	-		-
Total comprehensive income for the year	-	-	-	-	9 697 118		9 697 118
Dividends declared	-	-	-	-	(9 744 625)		(9 744 625)
Total contributions by and distributions to owners of company recognised directly in equity	-	-	-	-	(9 744 625)		(9 744 625)
Balance as at 30 June 2023	487 231	500 187 472	500 674 703	-	(579 868)		500 094 835
Notes	17	17	17				

The above Condensed consolidated and Separate Statement of Changes in Equity should be read in conjunction with the accompanying notes.

# Paratus Namibia Holdings Limited

(Registration number : 2017/0558)

Condensed consolidated and separate financial statements  
for the year ended 30 June 2023

## Notes the condensed consolidated and separate financial statements for the year ended 30 June 2023

### 1. General information

#### Nature of the business

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

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

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

### 2. Basis of presentation

The reviewed condensed consolidated and separate financial statements for the year ended 30 June 2023, is prepared in accordance with the requirements of the NSX Listings Requirements for provisional reports and the requirements of the Companies Act of Namibia. The Listings Requirements require provisional reports to be prepared according to the framework concepts and the measurement and recognition requirements of International Financial Reporting Standards (IFRS) and to also, as a minimum, contain the information required by IAS34 Interim Financial Reporting.

### 3. Accounting policies

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

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

In the current year, the Group and Company has adopted the following standards and interpretations that are effective for the current financial year and that are relevant to its operations:

Standard/ Interpretation:	Effective date: Years beginning on or after	Expected impact:
- Annual Improvement to IFRS Standards 2018-2020: Amendments to IFRS 1	01 January 2022	The impact of the amendments is not material
- Reference to the Conceptual Framework: Amendments to IFRS 3	01 January 2022	The impact of the amendments is not material
- Annual Improvement to IFRS Standards 2018-2020: Amendments to IFRS 9	01 January 2022	The impact of the amendments is not material
- Property, Plant and Equipment: Proceeds before Intended Use: Amendments to IAS 16	01 January 2022	The impact of the amendments is not material
- Onerous Contracts - Cost of Fulfilling a Contract: Amendments to IAS 37	01 January 2022	The impact of the amendments is not material

### 5. Standards and interpretations not yet effective

The Group and Company have chosen not to early adopt the following standards and interpretations, which have been published and are mandatory for the Group and Company's accounting years ending on or after 1 July 2023 or later periods:

Standard/ Interpretation:	Effective date: Years beginning on or after	Expected impact:
- Lease liability in a sale and leaseback	01 January 2024	Management is in the process of determining the impact.
- Initial application of IFRS 17 and IFRS 9 - Comparative information	01 January 2023	Management is in the process of determining the impact.
- Deferred tax related to assets and liabilities arising from a single transaction - Amendments to IAS 12	01 January 2023	Management is in the process of determining the impact.
- Disclosure of accounting policies: Amendments to IAS 1 and IFRS Practice Statement 2.	01 January 2023	Management is in the process of determining the impact.
- Definition of accounting estimates: Amendments to IAS 8	01 January 2023	Management is in the process of determining the impact.
- Classification of Liabilities as Current or Non-Current - Amendment to IAS 1	01 January 2023	Management is in the process of determining the impact.

### 6. Financial risk management and financial instruments

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

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

### 7. Segmental reporting

The group discloses its operating segments according to the entity components regularly reviewed by the Executive Committee and in line with internal reporting provided to the chief operating decision-maker, identified as the Executive Committee of the group. The chief operating decision-maker, allocates resources to and assesses performance of the operating components of the entity. The group operates in the ICT industry, with its main operating segments being consumer business and enterprise business.

The group's assets and liabilities comprise all assets and liabilities that are employed by these segments in aggregate.

### 8. Income taxation expense

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

The stand alone company, Paratus Namibia Holdings Limited, did not earn any taxable income for the year under review.

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### 9. Property, plant and equipment

#### GROUP

GROUP	Cost / valuation	2023 Accumulated depreciation	Carrying value	Cost / valuation	2022 Accumulated depreciation	Carrying value
	N\$	N\$	N\$	N\$	N\$	N\$
Land	-	-	-	14 280 005	-	14 280 005
Data Center	136 668 889	(647 382)	136 021 507	-	-	-
Cable Landing station	37 109 573	(161 539)	36 948 034	-	-	-
Commercial buildings	43 013 322	-	43 013 322	38 400 000	-	38 400 000
Equiano Submarine Cable Branch	185 236 700	(6 174 557)	179 062 143	-	-	-
Fiber passive equipment	58 300 667	(15 170 547)	43 130 120	52 836 255	(7 232 855)	45 603 400
Fiber active equipment	26 281 283	(14 582 090)	11 699 193	14 195 098	(6 718 334)	7 476 764
Infrastructure	455 481 459	(51 618 476)	403 862 983	335 847 450	(25 454 884)	310 392 566
Core network assets	127 559 511	(42 330 726)	85 228 785	73 422 962	(32 633 678)	40 789 284
Equipment	60 810 733	(35 493 838)	25 316 895	42 108 241	(24 860 943)	17 247 298
Office equipment	1 831 235	(833 937)	997 298	2 294 075	(1 455 425)	838 650
Furniture & Fittings	2 825 143	(1 500 661)	1 324 482	2 015 222	(1 315 627)	699 595
Motor Vehicles	8 273 387	(5 109 380)	3 164 007	5 751 813	(2 674 388)	3 077 425
Capital Work in Progress	24 098 274	-	24 098 274	135 801 173	-	135 801 173
<b>Total</b>	<b>1 167 490 176</b>	<b>(173 623 133)</b>	<b>993 867 043</b>	<b>716 952 294</b>	<b>(102 346 134)</b>	<b>614 606 160</b>

#### Reconciliation of property, plant and equipment - Group - 30 June 2023

	Opening balance	Additions	Disposals	Transfers	Depreciation	Closing Balance
	N\$	N\$	N\$	N\$	N\$	N\$
Land	14 280 005	-	-	(14 280 005)	-	-
Data Center	-	26 652 670	-	110 016 219	(647 382)	136 021 507
Cable Landing station	-	977 673	-	36 131 900	(161 539)	36 948 034
Commercial buildings	38 400 000	643 322	-	3 970 000	-	43 013 322
Equiano Submarine Cable Branch	-	185 236 700	-	-	(6 174 557)	179 062 143
Fiber passive equipment	45 603 400	437 823	-	-	(2 911 103)	43 130 120
Fiber active equipment	7 476 764	8 371 437	-	-	(4 149 008)	11 699 193
Infrastructure	310 392 566	113 802 611	(3 934)	-	(20 328 260)	403 862 983
Core network assets	40 789 284	61 056 131	-	1 112 695	(17 729 325)	85 228 785
Equipment	17 247 298	26 130 879	(10 896)	(1 112 695)	(16 937 691)	25 316 895
Office equipment	838 650	455 036	-	-	(296 388)	997 298
Furniture & Fittings	699 595	1 232 428	(17 779)	(36 941)	(552 821)	1 324 482
Motor Vehicles	3 077 425	1 479 278	-	-	(1 392 696)	3 164 007
Capital Work in Progress	135 801 173	24 098 274	-	(135 801 173)	-	24 098 274
	<b>614 606 160</b>	<b>450 574 262</b>	<b>(32 609)</b>	<b>-</b>	<b>(71 280 770)</b>	<b>993 867 043</b>

Additions for the current year include N\$185 236 700 (USD11 000 000) from the Equiano Submarine Cable Branch, which was acquired in LIEU of services on existing infrastructure. This service contract resulted in a contract liability amounting to N\$151 557 300 (USD9 000 000) (refer note 19) and a portion which was not yet converted to services amounting to N\$33 679 400 (USD2 000 000). At 30 June 2023 the creditor amounted to N\$37 655 000 reflected under current liabilities, pertaining to the portion which was not converted to services yet (refer note 21).

#### Reconciliation of property, plant and equipment - Group - 30 June 2022

	Opening balance	Additions	Disposals	Transfers	Depreciation	Closing Balance
	N\$	N\$	N\$	N\$	N\$	N\$
Land	14 280 005	-	-	-	-	14 280 005
Commercial buildings	46 050 000	(7 650 000)	-	-	-	38 400 000
Fiber passive equipment	48 496 542	-	-	-	(2 893 142)	45 603 400
Fiber active equipment	5 029 593	5 750 794	-	-	(3 303 623)	7 476 764
Infrastructure	203 029 041	122 028 334	(144 544)	-	(14 520 265)	310 392 566
Core network assets	25 818 990	26 474 965	-	-	(11 504 671)	40 789 284
Equipment	15 937 826	14 612 805	(18 081)	-	(13 285 252)	17 247 298
Office equipment	358 292	676 922	-	-	(196 564)	838 650
Furniture & Fittings	668 524	524 844	-	-	(493 773)	699 595
Motor Vehicles	2 840 641	1 547 439	-	-	(1 310 655)	3 077 425
Capital Work in Progress	27 507 208	108 293 965	-	-	-	135 801 173
	<b>390 016 662</b>	<b>272 260 068</b>	<b>(162 625)</b>	<b>-</b>	<b>(47 507 945)</b>	<b>614 606 160</b>

In the prior year additions / revaluations on property, plant and equipment include a prior year measurement adjustment amounting to N\$158 275, this amount was a non-cash flow addition.

#### Details of owner occupied land and buildings - Group

	30 Jun 2023 N\$	30 Jun 2022 N\$
<b>Erf 232 (a portion of Erf 231), Prosperita</b>		
- Land at cost	470 000	470 000
- Improvements since acquisition	1 768 628	1 125 306
- Revaluations since acquisition	6 994 694	6 994 694
	<b>9 233 322</b>	<b>8 590 000</b>

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.

	30 Jun 2023 N\$	30 Jun 2022 N\$
<b>Erf no. 348, Prosperita</b>		
- Land at cost	3 500 000	3 500 000
- Improvements since acquisition	18 876 499	18 876 499
- Revaluations since acquisition	11 403 501	11 403 501
	<b>33 780 000</b>	<b>33 780 000</b>

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.

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

#### Erf no. 10962 (a portion of erf no. 565) Swakopmund

##### Land and building at cost

30 Jun 2023	30 Jun 2022
N\$	N\$
30 761 262	955 000

Property consists of Erf no. 10962 (a portion of erf no. 565), in the municipality of Swakopmund, registration division "G", measuring 1,000 square meters. The cost of the land amounted to N\$1 069 600.

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

##### Land and building at cost

30 Jun 2023	30 Jun 2022
N\$	N\$
119 694 375	9 355 005

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 cost of the land amounted to N\$9 355 005.

### Details of valuations

Erf 232 and Erf 348 in Prosperita has been revalued. The effective date of the valuations was 26 April 2022. Revaluations were performed by an independent valuer, Mr. P.J.J. Wilders (valuation surveyor) of Pierewiet Property Valuations. Pierewiet Property Valuations are not connected to the company and have recent experience in location and category of the property being valued.

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 which is held at cost 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. Revaluation techniques is determined by the independent valuers used and disclosed accordingly.

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 year. 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
Land	Indefinite life	Not applicable
Buildings - Data Center, Cable Landing Station and Commercial buildings	40 years	Straight line
Equiano Submarine Cable Branch	15 years	Straight line
Fiber (passive equipment)	20 years	Straight line
Fiber (active equipment)	5 years	Straight line
Infrastructure	20 years	Straight line
Core network assets	5 years	Straight line
Equipment	3 to 5 years	Straight line
Office equipment	5 years	Straight line
Furniture and fittings	5 years	Straight line
Motor vehicles	4 years	Straight line

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 year 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.

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### 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.

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. The incremental borrowing rate is estimated to be the Namibian prime rate at the lease commencement date for each lease.

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:

#### Right-of-use assets - Group

##### Reconciliation of right-of-use assets - 30 June 2023

	Opening balance	Additions	Disposal / modifications	Remeasurement	Depreciation	Closing balance
	N\$	N\$	N\$	N\$	N\$	N\$
<b>Buildings</b>	<b>1 726 934</b>	<b>4 791 044</b>	<b>-</b>	<b>(44 379)</b>	<b>(1 184 134)</b>	<b>5 289 465</b>

##### Reconciliation of right-of-use assets - 30 June 2022

	Opening balance	Additions	Disposal / modifications	Remeasurement	Depreciation	Closing balance
	N\$	N\$	N\$	N\$	N\$	N\$
<b>Buildings</b>	<b>2 013 764</b>	<b>685 600</b>	<b>(22 800)</b>	<b>-</b>	<b>(949 630)</b>	<b>1 726 934</b>

Depreciation recognised includes depreciation which has been expensed in the total depreciation charge in profit or loss. 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 year. (2022:N\$Nil)

#### Other disclosures

	30 Jun 2023 N\$	30 Jun 2022 N\$
Interest expense on lease liabilities	(173 101)	(157 137)
Expenses on short term leases included in operating expenses	(719 850)	(746 442)
Total cash flow from leases	(1 384 640)	(1 262 185)

#### Lease liabilities - Group

Maturity analysis of lease liabilities are as follows:

	30 Jun 2023 N\$	30 Jun 2022 N\$
Within one year	1 629 087	1 383 146
Two to five years	4 777 545	899 154
	6 406 632	2 282 300
	(989 711)	(227 406)
	<b>5 416 921</b>	<b>2 054 894</b>
	30 Jun 2023 N\$	30 Jun 2022 N\$
Non-current liabilities	4 184 713	787 905
Current liabilities	1 232 208	1 266 989
	<b>5 416 921</b>	<b>2 054 894</b>

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#### 11. Intangible assets

An intangible asset is recognised when:

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

Intangible assets are initially recognised at cost. Expenditure on research (or on the research phase of an internal project) is recognised as an expense when it is incurred. Intangible assets are carried at cost less any accumulated amortisation and any impairment losses.

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

The amortisation year and the amortisation method for intangible assets are reviewed every year-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

#### Reconciliation of intangible assets - group - 30 June 2023

	Opening balance N\$	Additions N\$	Disposals N\$	Depreciation N\$	Closing Balance N\$
Paratus Brand	9 692 900	-	-	(2 769 400)	6 923 500
Telecommunications License / Network Spectrum	241 408 500	-	-	-	241 408 500
Free right of use (Fiber capacity - Botswana)	21 732 110	-	-	(1 387 156)	20 344 954
Computer software	3 515 215	4 160 720	-	(2 393 999)	5 281 936
Goodwill	12 306 984	-	-	-	12 306 984
Customer base	64 329	-	-	(64 329)	-
Customer relationship - Botswana Fiber Network	2 546 162	-	-	(145 495)	2 400 667
	<b>291 266 200</b>	<b>4 160 720</b>	<b>-</b>	<b>(6 760 379)</b>	<b>288 666 541</b>

#### Reconciliation of intangible assets - group - 30 June 2022

	Opening balance N\$	Additions N\$	Disposals N\$	Depreciation N\$	Closing Balance N\$
Paratus Brand	12 462 300	-	-	(2 769 400)	9 692 900
Telecommunications License / Network Spectrum	241 408 500	-	-	-	241 408 500
Free right of use (Fiber capacity - Botswana)	23 119 266	-	-	(1 387 156)	21 732 110
Computer software	4 069 072	2 008 594	-	(2 562 451)	3 515 215
Goodwill	12 287 742	19 242	-	-	12 306 984
Customer base	450 297	-	-	(385 968)	64 329
Customer relationship - Botswana Fiber Network	2 691 657	-	-	(145 495)	2 546 162
	<b>296 488 834</b>	<b>2 027 836</b>	<b>-</b>	<b>(7 250 470)</b>	<b>291 266 200</b>

Intangible assets are amortised over their useful lives, except for the telecommunications license / network spectrum and goodwill which have indefinite useful lives. Intangible assets with indefinite useful lives are tested for impairment and all impairment losses are accounted for in profit or loss. At the end of the reporting period there were no indicators for impairment.

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#### 12. Investment in subsidiaries

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

Company interest held directly by Paratus Namibia Holdings Limited

Name of company	Carrying amounts 2023 N\$	Carrying amounts 2022 N\$	% voting power 2023	% voting power 2022	% holding 2023	% holding 2022
Paratus Telecommunications (Proprietary) Limited	279 557 322	279 557 322	100%	100%	100%	100%
<b>Group interests held indirectly - held by Paratus Telecommunications (Proprietary) Limited</b>						

Name of company	Carrying amounts 2023 N\$	Carrying amounts 2022 N\$	% voting power 2023	% voting power 2022	% holding 2023	% holding 2022
Internet Technologies Namibia (Proprietary) Limited	10 000	10 000	100%	100%	100%	100%
Paratus Properties (Proprietary) Limited	8 933 207	8 933 207	100%	100%	100%	100%
Paratus Property Two (Proprietary) Limited	14 498 004	14 498 004	100%	100%	100%	100%
Paratus Voice Telecommunications (Proprietary) Limited	100	100	100%	100%	100%	100%
Bitstream Internet Solutions (Proprietary) Limited	2 080 000	2 080 000	52%	52%	52%	52%

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

#### 13. Loans to related parties

	GROUP		COMPANY	
	30 Jun 2023 N\$	30 Jun 2022 N\$	30 Jun 2023 N\$	30 Jun 2022 N\$
<b>Loans to related parties</b>				
<b>Paratus Telecommunications (Proprietary) Limited - Namibia</b>	-	-	220 699 206	216 687 071
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"> <li>A share buy-back from PNH;</li> <li>Cash contributions towards capital projects within the Company;</li> <li>Payments of expenses on behalf of the holding company; and</li> <li>Dividends payable to Paratus Namibia Holdings Limited to replenish reserves to enable dividend payments to the shareholders of Paratus Namibia Holdings Limited.</li> </ul>				
<b>Paratus Telecommunications (Proprietary) Limited - Namibia</b>	-	-	331 167 296	200 521 656
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 respective 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.				
<b>Misty Bay Investments One Hundred and Forty Close Corporation</b>	-	(23 460)	-	-
This loan bears no interest and has no fixed repayment terms.				
<b>Synapse Business Solutions (Proprietary) Limited</b>	-	6 460	-	-
This loan bears no interest and has no fixed repayment terms.				
Non-current asset	-	-	375 699 206	416 687 071
Current assets	-	6 460	176 167 296	521 656
Non-current liabilities	-	(23 460)	-	-
	-	(17 000)	551 866 502	417 208 727

#### 14. Trade and other receivables

	GROUP		COMPANY	
	30 Jun 2023 N\$	30 Jun 2022 N\$	30 Jun 2023 N\$	30 Jun 2022 N\$
<b>Financial instruments</b>				
Customer receivables	56 540 044	26 427 232	-	-
Expected credit losses	(4 636 002)	(3 707 939)	-	-
	51 904 042	22 719 293	-	-
Sundry debtors	200 898	1 627 266	-	-
Deposits	680 482	664 332	-	-
<b>Non-financial instruments</b>				
Prepayments	7 171 248	8 973 116	-	-
VAT receivable	2 663 079	17 706 509	-	-
	62 619 749	51 690 516	-	-

Customer receivables have been ceded to First National Bank of Namibia Limited as security for the overdraft facilities. (refer note 16)



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### 15. Investments at fair value

	GROUP		COMPANY	
	30 Jun 2023 N\$	30 Jun 2022 N\$	30 Jun 2023 N\$	30 Jun 2022 N\$
Cirrus Capital Money Market Fund	2 415 912	23 087	-	-
Capricorn Corporate fund	19 841	467 938	19 841	467 939
Old Mutual Corporate Fund	11 779	4 200 516	11 779	4 200 516
	<b>2 447 532</b>	<b>4 691 541</b>	<b>31 620</b>	<b>4 668 455</b>
<b>Details of Money market funds:</b>				
<b>Cirrus Capital Money Market Fund</b>				
Opening balance	23 087	132 044 684	-	-
Withdrawals	(146 500 000)	(149 650 000)	-	-
Deposits	147 000 000	15 000 000	-	-
Dividends	1 892 825	2 628 403	-	-
	<b>2 415 912</b>	<b>23 087</b>	<b>-</b>	<b>-</b>
<b>Capricorn Corporate fund</b>				
Opening balance	467 938	10 002 675	467 938	10 002 675
Withdrawals	(4 650 400)	(26 690 400)	(4 650 400)	(26 690 400)
Deposits	4 200 000	17 000 000	4 200 000	17 000 000
Dividends	2 303	155 663	2 303	155 663
	<b>19 841</b>	<b>467 938</b>	<b>19 841</b>	<b>467 938</b>
<b>Old Mutual Corporate Fund</b>				
Opening balance	4 200 516	17 808 922	4 200 516	17 808 922
Withdrawals	(4 200 000)	(17 000 000)	(4 200 000)	(17 000 000)
Deposits	-	2 540 000	-	2 540 000
Dividends	11 263	851 594	11 263	851 594
	<b>11 779</b>	<b>4 200 516</b>	<b>11 779</b>	<b>4 200 516</b>

#### Fair value hierarchy

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

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

No transfers of financial instruments have been made between fair value hierarchy levels during the year ended 30 June 2023 (30 June 2022: N\$Nil).

### 16. Cash and cash equivalents

	GROUP		COMPANY	
	30 Jun 2023 N\$	30 Jun 2022 N\$	30 Jun 2023 N\$	30 Jun 2022 N\$
Cash on hand	136 449	59 222	-	-
Bank Balances	14 343 897	3 627 313	132 478	218 039
Bank overdraft	(487)	(13 700 647)	-	-
	<b>14 479 859</b>	<b>(10 014 112)</b>	<b>132 478</b>	<b>218 039</b>

Cash and cash equivalents comprise of petty cash, cash balances and call deposits with maturities of three months or less from the acquisition date. Cash and cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in fair value.

Cash and cash equivalents are measured at amortised cost, which approximates its fair value. Interest earned on cash invested with financial institutions is recognised on an accrual basis using the effective interest method.

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 (refer note 14)

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

#### Details of facilities available for future operating activities and commitments:

	30 Jun 2023 N\$	30 Jun 2022 N\$
- Overdraft facility	30 000 000	30 000 000
- Contingent facility	10 000 000	10 000 000
- FOREX - forward exchange contracts	1 000 000	1 000 000
- Settlement facility	160 000	160 000
- Fleet	200 000	-
- First card facility	300 000	300 000
- Asset finance facility	2 500 000	2 500 000

While cash and cash equivalents are also subject to the impairment requirements of IFRS 9, the identified impairment loss was deemed to be immaterial.

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### 17. Share capital

Reconciliation of number of shares issued:

	GROUP		COMPANY	
	30 Jun 2023	30 Jun 2022	30 Jun 2023	30 Jun 2022
Reported as at 01 July	48 723 123	48 723 123	48 723 123	48 723 123
Issued				
Ordinary shares at N\$0.01	487 231	487 231	487 231	487 231
Share premium	500 187 472	500 187 472	500 187 472	500 187 472
	500 674 703	500 674 703	500 674 703	500 674 703

### 18. Borrowings

	GROUP		COMPANY	
	30 Jun 2023 N\$	30 Jun 2022 N\$	30 Jun 2023 N\$	30 Jun 2022 N\$
Held at amortised cost				
Secured				
Bank Windhoek Instalment Sales Agreement <sup>1</sup>	20 151	95 708	-	-
Unsecured				
Three-year Senior Unsecured Floating Rate Notes <sup>2</sup>	175 555 508	175 454 501	175 555 508	175 454 501
Three-year Senior Unsecured Floating Rate Notes <sup>3</sup>	30 117 565	-	30 117 565	-
Five-year Senior Unsecured Floating Rate Notes <sup>4</sup>	25 081 242	25 067 155	25 081 242	25 067 155
Five-year Senior Unsecured Floating Rate Notes <sup>5</sup>	100 412 981	-	100 412 981	-
	331 167 296	200 521 656	331 167 296	200 521 656
Non-current liabilities	155 000 000	200 020 010	155 000 000	200 000 000
Current liabilities	176 187 447	597 354	176 167 296	521 656
	331 187 447	200 617 364	331 167 296	200 521 656

<sup>1</sup> Bank Windhoek Instalment Sales Agreement are payable in monthly instalments, bears interest at prime linked interest rate per annum and is secured by assets with a carrying amount of N\$66 728 (30 June 2022: N\$172 087).

<sup>2</sup> 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.

<sup>3</sup> The Three-year Unsecured Floating Rate Notes amounting to N\$30 million are due on 16 September 2025 at no premium. These notes carry interest at a three month ZAR-JIBAR-SAFEX rate plus 270 basis points.

<sup>4</sup> 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.

<sup>5</sup> The Five-year Unsecured Floating Rate Notes amounting to N\$100 million are due on 16 September 2027 at no premium. These notes carry interest at a three month ZAR-JIBAR-SAFEX rate plus 325 basis points.

The current portion of borrowings include Senior Unsecured Floating Rate Notes due to mature during June 2024. These notes, amounting to N\$ 175 million, will be rolled over at possible lower interest rates.

	GROUP		COMPANY	
	30 Jun 2023 N\$	30 Jun 2022 N\$	30 Jun 2023 N\$	30 Jun 2022 N\$
Total interest expense for the year on the bonds:	29 181 644	13 951 588	29 181 644	13 951 588

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

	GROUP	
	30 Jun 2023	30 Jun 2022
Net interest bearing debt / EBITDA multiple (not more than 3.5x) exclude contract liabilities	1.96	1.69
EBITDA interest cover multiple (not less than 2.5x) exclude contract liability interest	5.46	11.14

### 19. Contract liabilities

	GROUP		COMPANY	
	30 Jun 2023 N\$	30 Jun 2022 N\$	30 Jun 2023 N\$	30 Jun 2022 N\$
Indefeasible right of use - Trans Kalahari fiber route	102 915 610	105 524 545	-	-
Indefeasible right of use - Equiano	152 087 210	26 931 667	-	-
Indefeasible right of use - Equiano spectrum / capacity	59 802 309	-	-	-
Various other short term contract liabilities	8 902 495	7 451 785	-	-
	323 707 623	139 907 997	-	-
Contract liabilities - non-current	302 105 035	129 847 277	-	-
Contract liabilities - current	21 602 588	10 060 720	-	-
	323 707 623	139 907 997	-	-
	GROUP		COMPANY	
	30 Jun 2023 N\$	30 Jun 2022 N\$	30 Jun 2023 N\$	30 Jun 2022 N\$
Interest component : Indefeasible right of use - Trans Kalahari fiber route	11 206 555	11 472 429	-	-
Interest component : Indefeasible right of use - Equiano	7 455 783	-	-	-
Interest component : Indefeasible right of use - Equiano spectrum / capacity	4 276 267	-	-	-
	22 938 605	11 472 429	-	-

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### 20. Deferred taxation

	GROUP		COMPANY	
	30 Jun 2023	30 Jun 2022	30 Jun 2023	30 Jun 2022
	N\$	N\$	N\$	N\$
Deferred taxation liability	(44 294 781)	(34 135 333)	-	-
<b>Reconciliation of deferred taxation assets / (liabilities)</b>				
At beginning of the year	(34 135 333)	(19 257 404)	-	-
Deductible temporary difference movement on property, plant and	(65 457 217)	(27 591 272)	-	-
Taxable temporary difference movement on intangible assets	36 625	523 781	-	-
Deductible temporary difference movement on prepaid expense	(720 722)	(1 025 515)	-	-
Taxable / (Deductible) temporary difference movement on unrealised foreign exchange gains / losses	1 394 663	(167 911)	-	-
Taxable temporary difference movement on provisions	448 693	313 104	-	-
Taxable temporary difference movement on income received in advance	21 596 351	7 033 833	-	-
Deductible temporary difference movement on deposits by customers	55 520	(2 126)	-	-
(Deductible) / Taxable temporary difference movement on right of use	(1 140 010)	91 786	-	-
Taxable / (Deductible) temporary difference movement on lease liability	1 075 849	(141 520)	-	-
Prior year adjustment in subsidiary - Bitstream Internet Solutions (Pty) Ltd	-	45 602	-	-
Tax loss available for set-off against taxable future taxable income	32 550 800	6 042 309	-	-
	<b>(44 294 781)</b>	<b>(34 135 333)</b>	<b>-</b>	<b>-</b>

### 21. Trade and other payables

	GROUP		COMPANY	
	30 Jun 2023	30 Jun 2022	30 Jun 2023	30 Jun 2022
	N\$	N\$	N\$	N\$
<b>Financial instruments:</b>				
Trade payables	97 916 062	33 499 978	23 433	705 462
Leave pay accrual	5 440 229	4 695 694	-	-
Salary accrual	3 452 602	3 329 944	-	-
Deposits received	224 729	51 229	-	-
<b>Non-financial instruments</b>				
VAT	9 872 720	112 923	-	-
Non-resident shareholders taxation payable	-	112 954	-	112 954
	<b>116 906 342</b>	<b>41 802 722</b>	<b>23 433</b>	<b>818 416</b>
Financial instruments and non-financial instrument components of trade and other payables				
At amortised cost	107 033 622	41 576 845	23 433	705 462
Non-financial instruments	9 872 720	225 877	-	112 954
	<b>116 906 342</b>	<b>41 802 722</b>	<b>23 433</b>	<b>818 416</b>

### 22. Provisions

#### Reconciliation of group provisions - 30 June 2023

	Opening Balance	Additions	Utilised during the year	Closing Balance
	N\$	N\$	N\$	N\$
Provision: CRAN regulatory levy	2 115 441	-	(1 496 886)	618 555
Provision: Audit fees	1 003 061	1 279 298	(987 251)	1 295 108
Salary provision	10 505 249	8 443 085	(9 879 166)	9 069 168
	<b>13 623 751</b>	<b>9 722 383</b>	<b>(12 363 303)</b>	<b>10 982 831</b>

#### Reconciliation of group provisions - 30 June 2022

	Opening Balance	Additions	Utilised during the year	Closing Balance
	N\$	N\$	N\$	N\$
Provision: CRAN regulatory levy	1 866 934	248 507	-	2 115 441
Provision: Audit fees	469 050	1 079 119	(545 108)	1 003 061
Salary provision	6 524 751	12 117 377	(8 136 879)	10 505 249
	<b>8 860 735</b>	<b>13 445 003</b>	<b>(8 681 987)</b>	<b>13 623 751</b>

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

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

Salary provisions include provision for bonuses to the amount of N\$8 226 455 (30 June 2021: N\$9 662 536) and provision for severance pay to the amount of 842 713 (30 June 2022: N\$842 713).

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

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### 23. Dividends payable

	GROUP		COMPANY	
	30 Jun 2023 N\$	30 Jun 2022 N\$	30 Jun 2023 N\$	30 Jun 2022 N\$
Opening balance 01 July	48 229	38 301	48 229	38 301
Dividends declared	9 744 625	9 744 625	9 744 625	9 744 625
Dividends paid out	(9 720 404)	(9 734 697)	(9 720 404)	(9 734 697)
<b>Closing balance</b>	<b>72 450</b>	<b>48 229</b>	<b>72 450</b>	<b>48 229</b>

On 20 September 2022 the directors declared a final dividend of 10 cents per ordinary share for the 2022 financial year amounting to N\$4 872 312.

On 22 March 2023 the directors declared a dividend of 10 cents per ordinary share, amounting to N\$4 872 312.

Aggregate dividends declared for the year amounts to N\$9 744 625 (30 June 2022: N\$9 744 625).

### 24. Cash generated from operations

	GROUP		COMPANY	
	30 Jun 2023 N\$	30 Jun 2022 N\$	30 Jun 2023 N\$	30 Jun 2022 N\$
Profit for the year	30 989 416	39 830 216	9 697 118	8 672 041
<b>Adjusted for:</b>				
Depreciation on property, plant and equipment	71 280 769	47 507 945	-	-
Depreciation right of use asset	1 184 134	949 630	-	-
Amortisation on intangible assets	6 760 379	7 250 470	-	-
Loss / (profit) on sale of property, plant and equipment	20 110	5 755	-	-
(Gains) / losses on foreign exchange	4 261 763	(338 370)	-	-
Loss on fair value adjustments	-	4 730 000	-	-
Dividend income	(1 906 390)	(3 635 658)	(11 013 565)	(10 007 257)
Interest Received	(36 334)	(7 696)	(29 181 785)	(13 951 588)
Interest Paid	29 678 735	10 857 437	29 181 644	13 951 588
Interest paid lease liability	173 101	157 137	-	-
Revenue - contract liabilities	(29 313 705)	(13 815 488)	-	-
Finance cost - Contract liability	22 938 605	11 472 429	-	-
Movements in provisions	(2 714 108)	4 763 016	108 008	7 491
<b>Changes in working capital:</b>				
Inventories	3 300 908	(8 551 328)	-	-
Trade and other receivables	(7 038 139)	(9 439 403)	-	-
Prepayments	1 801 867	(1 246 949)	-	-
Contract liabilities	38 539 941	30 713 433	-	-
Trade and other payables	31 909 511	7 218 638	(794 984)	139 958
Investments at fair value	-	-	4 650 400	24 150 400
	<b>201 830 563</b>	<b>128 421 214</b>	<b>2 646 836</b>	<b>22 962 633</b>

### 25. Revenue

#### Disaggregation of revenue from contracts with customers

Revenue from contracts with customers is generated from the provision of Information and Communication Technology (ICT) services to customers. The company operates in the ICT industry, with its main operating segments being consumer business and enterprise business.

The company disaggregates revenue from customers as follows:

	GROUP		COMPANY	
	30 Jun 2023 N\$	30 Jun 2022 N\$	30 Jun 2023 N\$	30 Jun 2022 N\$
<b>Timing of revenue recognition</b>				
<b>At a point in time</b>				
Connectivity	17 206 437	15 273 080	-	-
Local Area Network	17 212 527	27 983 694	-	-
Cloud	381 982	164 979	-	-
Voice	300 218	-	-	-
Security	5 549	18 047	-	-
	<b>35 106 713</b>	<b>43 439 800</b>	<b>-</b>	<b>-</b>
<b>Over time</b>				
Connectivity	340 753 987	290 893 591	-	-
Revenue recognised on delivery of goods/ services previously paid for - Indefeasible Right-of-Use	29 313 705	13 815 488	-	-
Revenue recognised on delivery of goods/ services previously paid for - other	16 318 182	10 127 202	-	-
Cloud	23 829 815	16 895 544	-	-
Voice	16 134 305	16 340 214	-	-
Local Area Network	11 579 281	11 535 750	-	-
Security	35 211	35 211	-	-
Discount allowed	(3 098 883)	(1 861 451)	-	-
	<b>434 865 603</b>	<b>357 781 549</b>	<b>-</b>	<b>-</b>
<b>Total revenue from contracts with customers</b>	<b>469 972 316</b>	<b>401 221 349</b>	<b>-</b>	<b>-</b>
Revenue other than through contracts with customers consists of dividends received from investments.				
Dividends received - money market funds	1 906 390	3 635 658	13 565	1 007 257
Dividends received - subsidiaries	-	-	11 000 000	9 000 000
	<b>1 906 390</b>	<b>3 635 658</b>	<b>11 013 565</b>	<b>10 007 257</b>
<b>Total revenue</b>	<b>471 878 706</b>	<b>404 857 007</b>	<b>11 013 565</b>	<b>10 007 257</b>

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### 26. Cost of sales

	GROUP		COMPANY	
	30 Jun 2023	30 Jun 2022	30 Jun 2023	30 Jun 2022
	N\$	N\$	N\$	N\$
Rendering of services	158 901 130	147 307 275	-	-
Stock purchase price variance	(55 875)	(71 156)	-	-
Stock adjustments	1 416 952	351 267	-	-
Depreciation	66 646 368	43 166 268	-	-
Discount received	(107 961)	(26 908)	-	-
	<b>226 800 614</b>	<b>190 726 746</b>	<b>-</b>	<b>-</b>

### 27. Other operating income

	GROUP		COMPANY	
	30 Jun 2023	30 Jun 2022	30 Jun 2023	30 Jun 2022
	N\$	N\$	N\$	N\$
Administration and management fees received	28 223	25 343	-	-
Sundry income	1 085 865	846 047	-	-
	<b>1 114 088</b>	<b>871 390</b>	<b>-</b>	<b>-</b>

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

	GROUP		COMPANY	
	30 Jun 2023	30 Jun 2022	30 Jun 2023	30 Jun 2022
	N\$	N\$	N\$	N\$
<b>Losses on disposal, scrapping and settlements</b>				
Property, plant and equipment	(20 110)	(5 755)	-	-
<b>Foreign exchange (losses) / gains</b>				
Net foreign exchange (losses) / gains	(1 337 456)	458	-	-
<b>Impairment losses</b>				
Impairment of loan	57 247	-	-	-
<b>Total other operating losses</b>	<b>(1 300 319)</b>	<b>(5 297)</b>	<b>-</b>	<b>-</b>

### 29. Operating profit

	GROUP		COMPANY	
	30 Jun 2023	30 Jun 2022	30 Jun 2023	30 Jun 2022
	N\$	N\$	N\$	N\$
<b>Operating profit for the year is stated after charging (crediting) the following, amongst others:</b>				
<b>Auditor's remuneration - external</b>				
Audit fees - PWC	1 285 733	1 133 543	229 908	122 475
Consulting fees - PWC	101 205	301 151	-	-
Training - PWC	2 261	4 130	-	-
	<b>1 389 199</b>	<b>1 438 824</b>	<b>229 908</b>	<b>122 475</b>
<b>Auditor's remuneration - internal</b>	<b>436 000</b>	<b>132 000</b>	<b>-</b>	<b>-</b>
<b>Remuneration, other than to employees</b>				
Consulting and professional services	3 486 667	3 840 824	543 714	109 512
Secretarial services	759 282	1 358 760	413 612	970 122
Sponsor retainer	33 834	31 919	33 834	31 919
	<b>4 279 783</b>	<b>5 231 503</b>	<b>991 160</b>	<b>1 111 553</b>
<b>Directors' remuneration</b>				
Non-executive directors' fees	1 046 475	903 511	-	-
Non-executive directors' fees include all directors and members of sub-committees fees.				
<b>Employee costs</b>				
As at 30 June 2023 the group had 206 permanent employees (2022: 202). The total cost of employment of all employees including executive directors and key management, was as follows:				
Salaries, wages, bonuses and other benefits	89 317 201	58 095 996	-	-
<b>Leases</b>				
<b>Short-term lease payments</b>				
Premises <sup>4</sup>	719 850	746 442	-	-
<b>Depreciation and amortisation</b>				
Depreciation of property, plant and equipment	71 280 769	47 507 945	-	-
Depreciation of right-of-use assets	1 184 134	949 630	-	-
Amortisation of intangible assets	6 760 379	7 250 470	-	-
<b>Total depreciation and amortisation</b>	<b>79 225 282</b>	<b>55 708 045</b>	<b>-</b>	<b>-</b>
Less: Depreciation and amortisation included in cost of sales	(66 646 368)	(43 166 268)	-	-
<b>Total depreciation and amortisation expensed</b>	<b>12 578 914</b>	<b>12 541 777</b>	<b>-</b>	<b>-</b>

<sup>4</sup> Payments associated with short-term lease and leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less. Low-value assets comprise IT equipment.

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### 29. Operating profit (continue)

	GROUP		COMPANY	
	30 Jun 2023	30 Jun 2022	30 Jun 2023	30 Jun 2022
	N\$	N\$	N\$	N\$
<b>Net impairment losses on financial asset</b>				
Trade and other receivables	928 064	598 636	-	-
<b>Expenses by nature</b>				
The total marketing expenses, general and administrative expenses, maintenance expenses and other operating expenses are analysed by nature as follows:				
Advertising	10 918 408	8 375 879	-	-
Auditor's remuneration	1 389 199	1 438 824	229 908	122 475
Bad debts	63 676	455 077	-	-
Bank charges	1 110 493	1 192 250	5 793	6 526
Cost of sales - depreciation	66 646 368	43 166 268	-	-
Cost of sales - excluding depreciation	160 154 246	147 560 478	-	-
Depreciation, amortisation and impairment	12 578 914	12 541 777	-	-
Employee costs	89 317 201	85 095 996	-	-
Insurance	3 547 060	3 357 225	-	-
License fees	12 493 932	10 324 277	-	-
Motor vehicle expenses	3 141 750	2 076 922	-	-
Net impairment losses on financial assets	928 064	598 636	-	-
Non-executive directors' fees	1 046 475	903 511	-	-
Operating lease charges	719 850	746 442	-	-
Other expenses *	8 669 895	6 920 633	89 727	94 662
Remuneration, other than to employees	4 279 783	5 231 503	991 160	1 111 553
Repairs and maintenance	3 600 994	2 377 779	-	-
Staff welfare	3 697 807	3 359 287	-	-
Telephone	1 185 597	1 229 825	-	-
Travelling	2 459 241	1 730 988	-	-
	<b>387 948 953</b>	<b>338 683 577</b>	<b>1 316 588</b>	<b>1 335 216</b>
* Other expenses pertains to 10% or less of total operating expenses, and has not been split out in more detail.				
<b>Analysis of expenses by nature:</b>				
Cost of sales	226 800 614	190 726 746	-	-
Net impairment losses on financial assets	928 064	598 636	-	-
Other operating expenses	160 220 275	147 358 195	1 316 588	1 335 216
	<b>387 948 953</b>	<b>338 683 577</b>	<b>1 316 588</b>	<b>1 335 216</b>

### 30. Taxation

	GROUP		COMPANY	
	30 Jun 2023	30 Jun 2022	30 Jun 2023	30 Jun 2022
	N\$	N\$	N\$	N\$
<b>Major components of the taxation expense</b>				
<b>Current</b>				
Local income taxation - current period	602 808	501 662	-	-
Foreign income taxation or withholding taxation - recognised in current taxation	598 725	1 737 772	-	-
	<b>1 201 533</b>	<b>2 239 434</b>	<b>-</b>	<b>-</b>
<b>Deferred</b>				
Property, plant and equipment	65 457 216	28 525 674	-	-
Intangible assets	(36 625)	(523 781)	-	-
Prepaid expenses	720 722	1 025 515	-	-
Unrealised foreign gains / (losses)	(1 394 663)	167 911	-	-
Provisions	(448 693)	(313 104)	-	-
Income received in advance	(21 596 351)	(7 033 833)	-	-
Deposits by customers	(55 520)	2 126	-	-
Right-of use assets	1 140 010	(91 786)	-	-
Lease liability	(1 075 849)	141 520	-	-
Tax loss available for set-off against taxable future taxable income	(32 550 798)	(6 042 310)	-	-
	<b>10 159 447</b>	<b>15 857 932</b>	<b>-</b>	<b>-</b>
<b>Taxation</b>	<b>11 360 980</b>	<b>18 097 366</b>	<b>-</b>	<b>-</b>
<b>Taxation on other comprehensive income</b>				
Deferred taxation through other comprehensive income	-	(934 400)	-	-
<b>Total income taxation</b>	<b>11 360 980</b>	<b>17 162 966</b>	<b>-</b>	<b>-</b>

# Paratus Namibia Holdings Limited

(Registration number : 2017/0558)

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## Notes the condensed consolidated and separate financial statements for the year ended 30 June 2023

### 30. Taxation (continue)

	GROUP		COMPANY	
	30 Jun 2023	30 Jun 2022	30 Jun 2023	30 Jun 2022
	N\$	N\$	N\$	N\$
<b>Reconciliation of the tax expense</b>				
Reconciliation between accounting profit and tax expense				
Accounting profit	30 989 416	39 830 216	9 697 118	8 672 041
Other comprehensive income	-	(2 920 000)	-	-
Tax at the applicable tax rate of 32% (2021: 32%)	9 916 613	11 811 269	3 103 078	2 775 053
<b>Tax effect of adjustments on taxable income</b>				
Dividends received	(610 045)	(1 163 411)	(3 524 341)	(3 202 322)
Expenses not deductible (no taxable income)	421 263	427 269	421 263	427 269
Capital profit on sale of fixed assets	(560)	-	-	-
Fair value adjustment on buildings	-	2 448 000	-	-
Fines and penalties	144	7 190	-	-
Donations	32 083	22 656	-	-
Unutilised withholding tax - forfeited	598 725	1 737 772	-	-
Amortisation of intangible assets resulting from business combination	1 032 765	1 032 764	-	-
Impairment on loan	(18 319)	-	-	-
Prior period adjustment	(11 690)	839 457	-	-
	11 360 980	17 162 966	-	-
<b>Effective taxation rate</b>	<b>36.7%</b>	<b>46.5%</b>	<b>0.0%</b>	<b>0.0%</b>

No provision has been made for 2023 tax as the company has no taxable income. At 30 June 2023 the Group and Company have combined income taxation losses available for set-off against future taxable income amounting to N\$142 463 417 (2022: N\$42 997 923)

### 31. Other information

	GROUP	
	30 Jun 2023	30 Jun 2022
Total number of shares in issue	48 723 123	48 723 123
Weighted number of shares in issue	48 723 123	48 723 123
Net asset value per share (cents per share)	1 151	1 131
Listed market price per share (cents per share)	1 275.00	1 290
Premium to net asset value	10.78%	14.09%
Capital commitments (including approved but not contracted)	N\$137 800 000	N\$293 300 000
Market capitalisation	N\$621 219 818	N\$628 528 287
Earnings before interest, taxation, depreciation and importation (EBITDA)	162 968 804	122 748 039
EBITDA Margin %	34.54%	30.32%
Net interest bearing debt/ EBITDA multiple (not more than 3.5x) *	1.96	1.69
EBITDA interest cover multiple (not less than 2.5x) *	5.46	11.14

\* these ratios show results excluding contract liabilities and the interest calculated thereon.

### Earnings

Profit for the year attributable to the equity holders of the parent

Headline adjustments:

After taxation loss on sale of property, plant and equipment

Impairment gain on loan

Loss on revaluation of owner occupied property

### Headline earnings

Basic earnings per ordinary share (cents)

Headline earnings per ordinary share (cents)

Dividend per share (cents)

	30 Jun 2023	30 Jun 2022
	N\$	N\$
	18 825 653	21 321 410
	13 675	3 913
	(57 247)	-
	-	4 730 000
	18 782 081	26 055 323
	30 Jun 2023	30 Jun 2022
	Cents	Cents
	38.64	43.76
	38.55	53.48
	20.00	20.00

# Paratus Namibia Holdings Limited

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### 32. Commitments and contingencies

	Group		Company	
	30 Jun 2023	30 Jun 2022	30 Jun 2023	30 Jun 2022
	N\$	N\$	N\$	N\$
<b>Capital commitments</b>				
Authorised but not contracted for:				
Property and equipment	137 800 000	280 300 000	-	-
Contracted for but not yet incurred:				
Property and equipment	-	13 000 000	-	-

For the 2024 financial year, a further N\$137,8 million investment into infrastructure for Paratus Telecommunications (Pty) Ltd was approved by the Board.

For the year ended 30 June 2023 Paratus Namibia has invested N\$450 million in infrastructure (30 June 2022: N\$282 million). This includes N\$185 million from the Equiano Branch, which was acquired in LIEU of services on existing infrastructure. At 30 June 2023 an amount of N\$37.65 million is reflected under current liabilities, as this is a portion of the Equiano Branch acquisition price, which was not converted to a service yet. Once the fiber route running between Buitepos and Lobatse in Botswana is completed, the remaining liability of N\$37.65 million will be converted to a service on this route and the liability will be settled. It is expected that the construction of this route will be completed by 30 November 2023 at a total cost of approximately N\$45 million. This route from Johannesburg running through Botswana and Namibia to the Equiano Sub-Sea Cable in Swakopmund and onwards toward Europe will provide the shortest route with the lowest latency to Europe and is therefore of strategic importance to Paratus for future revenue growth.

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

### 33. Events occurring after the reporting period

#### Dividends declared

On 19 September 2023 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 material subsequent events after the reporting period that will have a significant impact on the annual financial statements.

### 34. Related parties

Executive directors	A. Hall S.L.V. Erasmus S.I. de Bruin B.R.J. Harmse R.P.K. Mendelsohn (alternate director to B.R.J. Harmse) G.P.J. Duvenhage (alternate director to A. Hall)
Non-executive directors	H.B. Gerdes J.N.N. Shikongo M.R. Mostert R.R. Graig
Members of key management	D.J. Malan G.E. Cloete S. Frank-Schultz
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
Shareholder	Paratus Group Holdings Limited - Mauritius
Related entities (similar shareholder and directors)	Paratus Telecommunications Limited - Mauritius Internet Technologies Africa Ltd - (registered in Mauritius) Paratus Telecommunications Limited - Zambia Paratus Telecommunications (Proprietary) Limited - Botswana Broadband Botswana Internet (Proprietary) Limited - (registered in Botswana) Paratus Telecommunication (Proprietary) Limited - South Africa Maxwell Technologies (Proprietary) Limited - South Africa Paratus Telecom S.A. - Mozambique Canocopy (Proprietary) Limited - Namibia ITA Angola S.A. - registered in Angola Finatic Technologies (Proprietary) Limited - (registered in Namibia) Capricorn Investment Group Limited - (registered in Namibia)
Related entities (similar members as subsidiary)	Synapse Business Solutions (Proprietary) Limited Misty Bay Investments One Hundred and Forty Close Corporation Maya Investments Close Corporation



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## Notes the condensed consolidated and separate financial statements for the year ended 30 June 2023

### 34. Related parties (continued)

	GROUP		COMPANY	
	30 Jun 2023	30 Jun 2022	30 Jun 2023	30 Jun 2022
	N\$	N\$	N\$	N\$
<b>Related party balances</b>				
<b>Investment in subsidiary</b>				
Paratus Telecommunications (Proprietary) Limited - Namibia	-	-	279 557 322	279 557 322
<b>Loan accounts - owing by / (to) related parties</b>				
Paratus Telecommunications (Proprietary) Limited - Namibia	-	-	220 699 206	216 687 071
Paratus Telecommunications (Proprietary) Limited - Namibia	-	-	331 167 296	200 521 656
Misty Bay Investments One Hundred and Forty Close Corporation	-	(23 460)	-	-
Synapse Business Solutions (Proprietary) Limited	-	6 460	-	-
<b>Amounts included in trade receivables regarding related parties</b>				
Paratus Telecom S.A. - (registered in Angola)	2 251 115	191 143	-	-
Paratus Telecommunications (Proprietary) Limited - Botswana	334 729	149 445	-	-
Canocopy (Proprietary) Limited	68 032	120 275	-	-
Paratus Telecommunications (Proprietary) Limited - South Africa	-	320 466	-	-
Paratus Telecommunications Limited - Mauritius	1 090 874	2 865 117	-	-
Paratus Telecommunications Limited - Zambia	561 539	197 166	-	-
Paratus Telecom S.A. - Mozambique	56 685	13 165	-	-
Synapse Business Solutions (Proprietary) Limited	65 665	-	-	-
<b>Amounts included in trade payables regarding related parties</b>				
Canocopy (Proprietary) Limited	121 573	35 541	-	-
Paratus Telecommunications (Proprietary) Limited - Botswana	4 226 021	353 363	-	-
Paratus Telecommunications (Proprietary) Limited - South Africa	1 129 349	471 993	-	-
Synapse Business Solutions (Proprietary) Limited	46 000	-	-	-
<b>Related party transactions</b>				
<b>Revenue received from related parties</b>				
Paratus Telecom S.A. - (registered in Angola)	6 082 151	1 287 813	-	-
Paratus Telecommunications (Proprietary) Limited - Botswana	1 069 017	321 510	-	-
Canocopy (Proprietary) Limited	813 430	735 392	-	-
Paratus Telecommunications (Proprietary) Limited - South Africa	569 238	706 143	-	-
Paratus Telecommunications Limited - Mauritius	22 409 726	9 533 080	-	-
Paratus Telecommunications Limited - Zambia	1 145 376	330 248	-	-
Paratus Telecom S.A. - Mozambique	64 024	43 722	-	-
Synapse Business Solutions (Proprietary) Limited	346 341	374 148	-	-
<b>Interest received from related parties</b>				
Canocopy (Proprietary) Limited	-	3 782	-	-
Paratus Telecommunications (Proprietary) Limited - Namibia	-	-	29 181 644	13 951 588
<b>Dividends received from related parties</b>				
Paratus Telecommunications (Proprietary) Limited - Namibia	-	-	11 000 000	9 000 000
<b>Purchases from related parties</b>				
Paratus Telecommunications (Proprietary) Limited - Botswana	25 111 599	782 095	-	-
Paratus Telecommunications (Proprietary) Limited - South Africa	5 999 886	5 571 847	-	-
Paratus Telecommunications Limited - Mauritius	23 513 919	20 289 067	-	-
Paratus Telecommunications Limited - Zambia	-	84 040	-	-
Synapse Business solutions (Proprietary) Limited	701 174	591 964	-	-
<b>Rent paid to related parties</b>				
Maya Investments Close Corporation	170 460	133 600	-	-
<b>Printing and stationery</b>				
Canocopy (Proprietary) Limited	1 166 358	586 514	-	-
<b>Administration and consulting fees paid to related parties</b>				
Synapse Business solutions (Proprietary) Limited	336 000	336 000	-	-
<b>Compensation to directors and other key management</b>				
Non-executive directors fees	1 046 475	903 511	-	-
Short term employee benefits - executive directors	8 676 234	8 712 553	-	-
Short term employee benefits - key management	4 551 607	6 792 441	-	-



**PARATUS**  
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