

REVIEWED FINANCIAL RESULTS

For the year ended 30 June 2024

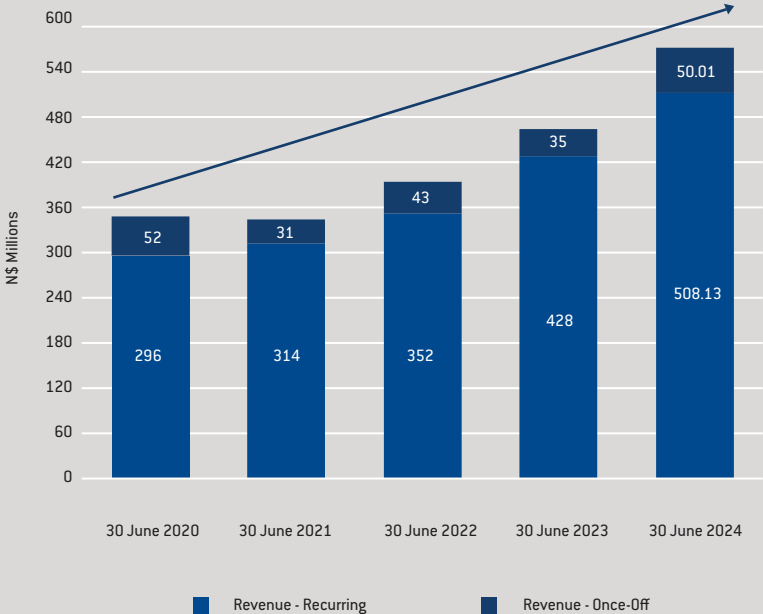


PARATUS

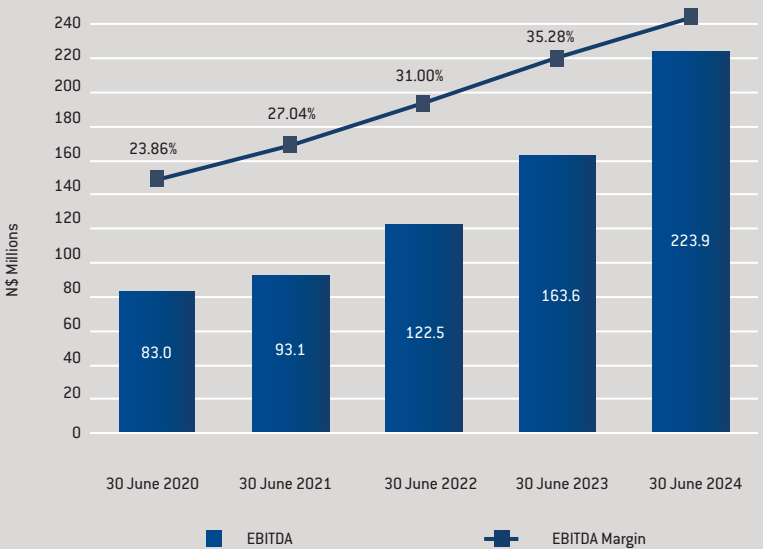
Paratus Namibia Holdings Ltd

[Incorporated in the Republic of Namibia]
[Registration number 2017/0558]
["Paratus Holdings" or "the group"]
[NSX Share code: PNH] [ISN code: NA 000A2DT042]
<https://invest.paratus.africa>

REVENUE - PARATUS NAMIBIA



EBITDA - PARATUS NAMIBIA



CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

for the year ended 30 June 2024

	Note	30 June 2024 Reviewed N\$	30 June 2023 Audited N\$
Revenue		568 865 063	471 878 706
Cost of sales		(278 704 782)	(226 800 614)
Gross Profit		290 160 281	245 078 092
Other operating income		782 772	1 114 088
Other operating losses		4 410 729	(1 300 319)
Net impairment losses on financial assets		(2 406 533)	(928 064)
Operating expenses		(180 189 854)	(160 220 275)
Operating profit		112 757 395	83 743 522
Interest received		101 561	36 334
Finance cost		(73 416 170)	(52 790 440)
Profit before taxation		39 442 786	30 989 416
Taxation		(13 202 034)	(11 360 980)
Profit for the year		26 240 752	19 628 436
Other comprehensive income		-	-
Total comprehensive income for the year		26 240 752	19 628 436
Profit after taxation attributable to:			
Equity holders of the parent entity	2.2	26 882 912	18 825 653
Non-controlling interests		357 840	802 782
Total comprehensive income for the year		26 240 752	19 628 436
Total comprehensive income attributable to:			
Equity holders of the parent entity		25 882 912	18 825 653
Non-controlling interests		357 840	802 782
Total comprehensive income for the year		26 240 752	19 628 436

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

as at 30 June 2024

	Notes	30 June 2024 Reviewed N\$	30 June 2023 Audited N\$
ASSETS			
Non-current assets			
Property, plant and equipment	2.3	1 093 230 715	993 867 043
Right-of-use assets		3 807 032	5 289 465
Intangible assets	2.4	293 124 226	288 666 541
		1 390 161 973	1 287 823 049
Current assets			
Inventories		39 146 639	24 005 607
Trade and other receivables		57 061 263	62 619 749*
Investments at fair value		588 847 373	2 447 532
Current taxation receivable		1 982 481	1 982 481
Cash and cash equivalents		11 254 041	14 480 346
		698 291 797	105 535 715*
TOTAL ASSETS		2 088 453 770	1 393 358 764*
EQUITY AND LIABILITIES			
Share capital		1 099 189 689	500 674 703
Distributable reserves		74 878 272	58 739 985
Non-controlling interest		1 243 038	1 365 198
		1 175 310 999	560 779 886
Non-current liabilities			
Borrowings	2.5	330 000 000	155 000 000
Lease liabilities		2 776 131	4 184 713
Contract liabilities	2.6	292 660 286	302 105 035
Deferred taxation		56 554 344	44 294 781
		681 990 761	505 584 529
Current liabilities			
Trade and other payables		155 900 108	116 906 342*
Borrowings	2.5	1 221 452	176 187 447
Lease liabilities		1 441 701	1 232 208
Contract liabilities	2.6	25 928 051	21 602 588
Current tax payable		10 432	9 996
Provisions		13 514 901	10 982 831
Bank overdraft		33 036 682	487
Dividends payable		98 683	72 450
	2.7	231 152 010	326 994 349*
TOTAL EQUITY AND LIABILITIES		2 088 453 770	1 393 358 764*

*Subsequent to the release of the reviewed prior year results, changes were made to some figures due to reclassifications.

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

for the year ended 30 June 2024

	30 June 2024 Reviewed N\$	30 June 2023 Audited N\$
Cash generated from operating activities	174 843 322	171 322 759
Cash generated by operations	216 059 091	201 231 980*
Interest paid	40 375 294	(29 199 733)
Interest received	101 561	36 193
Tax paid	(942 035)	(745 681)*
Net cash flows used in investing activities	798 214 642	(265 328 920)
Net cash flows generated from financing activities	587 097 353	118 789 477
Net increase/decrease in cash and cash equivalents	(36 273 967)	24 783 316
Cash and Cash equivalents at the beginning of the year	14 479 859	(10 014 111)
Effect of exchange rate on cash and cash equivalents	11 467	(289 346)
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	(21 782 641)	14 479 859

*Subsequent to the release of the reviewed prior year results, changes were made to some figures due to reclassifications.

	30 June 2024 Reviewed N\$	30 June 2023 Audited N\$
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1. OTHER INFORMATION

Total number of shares in issue	98 907 940	48 723 123
Weighted number of shares in issue	54 497 814	48 723 123
Net asset value per share (cents per share)	1 188.29	1 150.95
Listed market price per share (cents per share)	1 270.00	1 275.00
Market capitalisation	N\$1 256 130 838	N\$621 219 818
Premium to net asset value	6.9%	10.8%
Capital commitments (including approved but not contracted)	N\$562 485 362	N\$137 800 000
Dividends per share (cents)	20.00	20.00
EBITDA	N\$226 522 832	N\$162 968 804
EBITDA margin %	39.8%	34.5%
Net interest bearing debt / EBITDA (not more than 3.5x)	(1.02) x	1.96x
EBITDA interest cover(not less than 2.5x)	5.60 x	5.46x

¹ these covenant ratios, relating to the Senior Unsecured Floating Rate Notes described in more detail in note 2.5, shows results excluding contract liabilities and the interest calculated thereon.

2. NOTES TO THE FINANCIAL RESULTS

2.1 Basis of preparation

The reviewed condensed consolidated financial statements for the year ending 30 June 2024, 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 IFRS[®] Accounting Standards 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 Accounting Standards 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 2024



PARATUS
Paratus Namibia Holdings Ltd

(Incorporated in the Republic of Namibia)
(Registration number 2017/0558)
("Paratus Holdings" or "the group")
(NSX Share code: PNH) (ISN code: NA 000A2DT042)
<https://invest.paratus.africa>

2. NOTES TO THE FINANCIAL RESULTS (Continued)

2.2 Basic and Headline earnings per ordinary share

The basic earnings and headline earnings per share for the year ended 30 June 2024 are calculated as follows:

	30 June 2024 Reviewed N\$	30 June 2023 Audited N\$
Earnings		
Profit for the year attributable to the equity holders of the parent	26 078 912	18 825 653
Headline adjustments:		
After taxation loss / (profit) on sale of property, plant and equipment	(132 659)	13 675
Impairment on loans	-	(57 247)
Headline earnings	25 946 253	18 782 081
Basic earnings per ordinary share (cents)	47.49	38.64
Headline earnings per ordinary share (cents)	47.25	38.55

2.3 Property, plant and equipment

	30 June 2024 Reviewed N\$	30 June 2023 Audited N\$
Net book value at the beginning of the year	993 867 043	614 606 160
Capital expenditure	204 698 706	450,574,262
Disposals	(4 417)	(32 609)
Depreciation	(105 330 617)	(71 280 770)
Net book value at the end of the year	1 093 230 715	993 867 043

2.4 Intangible assets

	30 June 2024 Reviewed N\$	30 June 2023 Audited N\$
Net book value at the beginning of the year	288 666 541	291 266 200
Capital expenditure	11 410 072	4 160 721
Amortisation	(6 952 387)	(6 760 380)
Net book value at the end of the year	293 124 226	288 666 541

2.5 Borrowings

Borrowings pertain to Senior Unsecured Floating Rate Notes, issued under the NSX approved N\$1 billion Domestic Medium-Term Note Programme. Total finance cost incurred on these notes for the year ending 30 June 2024 amounts to N\$37 946 605 (2023: N\$29 181 643). The finance cost that has accrued on these borrowings at year-end amounts to N\$1 221 452 (2023: N\$1 167 296).

Senior Unsecured Floating Rate Notes, amounting to N\$175 million matured during June 2024. Management refinanced these notes on 18 June 2024 under its N\$1 billion Medium-Terms Note Programme, after receiving bids amounting to N\$557 million. The table below sets out the details of both the matured and refinanced Notes:

Status	Description	Tenor	Maturity date	Reference date	Margin	Bid to cover
Matured	Senior Unsecured Floating Rate Notes amounting to N\$175 million	Three years	18 June 2024	3 Months ZAR-JIBAR-SAFEX	300 basis points	n/a
Refinanced	Senior Unsecured Floating Rate Notes amounting to N\$175 million	Five years	18 June 2029	3 Months ZAR-JIBAR-SAFEX	270 basis points	3.18

Debt covenants pertaining to this Programme has not been breached. Refer to note 1 for more details in this regard.

2.6 Contract liabilities

Contract liabilities consist of funds received in advance for various contracts. These contracts include the Indefeasible right-of-use ("IRU") of the Trans-Kalahari fiber route, Equiano Subsea Cable and Equiano spectrum. During the year ending 30 June 2024 finance cost amounting to N\$32 986 718 (2023: N\$22 938 605) pertain to these IRU contracts in aggregate. The Equiano Subsea Cable IRU only started attracting finance cost during January 2023 and thus resulted in a higher finance cost in the current year compared to the previous year.

2.7 Current liabilities

No cash outflow is expected for the following items included in current liabilities:

- Contract liabilities amounting to N\$25.93 million (2023: N\$20.68million); and
- Service contract with Google resulting in an obligation of N\$36.3million (30 June 2023: N\$37.7million), included in trade and other payables.

3. DIRECTORS' COMMENTARY

3.1 The market and prospects

The Namibian economy continued to grow, but at a slower pace during the first quarter of 2024. The local economy registered growth of 4.7% during the first quarter of 2024, slower compared to the 5.3% growth recorded in the corresponding quarter of 2023. This is largely due to weaker growth in diamond and uranium production. Overall factors currently weigh in favour of better growth for Namibia in the foreseeable future. Namibia's overall inflation softened both on a quarterly and yearly basis to 4.6% and interest rates have been cut by 25 basis points.

For the year ended 30 June 2024, the Group, delivered strong overall revenue growth of 21% against a backdrop of weak consumer spending driven by high interest rates, high inflation and a weak local currency. The strong revenue growth for the period is mainly due to the expansion of our fiber, SKY-Fi and LTE networks across Namibia, capacity sales on the Equiano subsea cable and the increased occupation of the Data Center.

For the year ended 30 June 2024, Paratus Telecommunications (Proprietary) Limited ("Paratus Namibia"), the operating entity, realised recurring revenue of N\$508.1 million (2023: N\$428.2 million), which represents a growth of 18.7%. Non-recurring revenue, which mainly represent Local Area Network installations in the commercial office space and the sale of Telecommunication Equipment, amounts to N\$50.0 million (2023: N\$35.4 million).

3.1 The market and prospects (Continued)

This represents a growth of 41.2% notwithstanding management's focus to grow recurring revenue as opposed to lower margin non-recurring revenue.

The net profit before taxation for Paratus Namibia, for the same year amounts to N\$ 39.2 million (2023: N\$33.3 million) and earnings before interest, taxation, depreciation, and amortisation ("EBITDA") amounts to N\$223.9 million (2023: N\$163.6 million). This represents a growth of 17.7% and 36.9%, respectively. The increase in profitability is mainly attributable to the strong revenue growth of 20.4% relative to the 12.3% growth in operating expenses.

Finance charges increased by 38.2% to N\$73.5 million and is mostly due to the contract liability (refer 2.6), the interest rate hikes and the utilisation of the overdraft facility. The disparity between profit before taxation and EBITDA stems from the large depreciation charges recorded on infrastructure deployed.

Operating expenses for Paratus Namibia, increased by 12.3% due to overheads from the network expansion, overheads emanating from the Data Centre and the increase in distributions centres across Namibia. The gross profit margin for the period is slightly lower at 50.2% (2023: 51.4%) due to additional depreciation charge from the Data Center and the newly acquired Equiano branch.

During May 2024 Paratus successfully concluded a rights issue and raised N\$602.2 million. These funds raised were temporarily invested in a money market fund, disclosed under investments at fair value and is ring-fenced for the expansion of Paratus's terrestrial network and the roll-out of an operations and business support system. At year-end N\$70.4 million was expended towards this project (refer note 2.3).

3.2 Capital projects

For the year ended 30 June 2024 Paratus Namibia has invested N\$204.7 million in infrastructure (2023: N\$450.6 million). In line with the strategy for this financial year, the number of new sites and fiber in new areas were limited to focus on the sign-up of new customers on the existing infrastructure.

During this financial year, N\$111m was invested towards capacity expansion, customer access of the current network and the expansion of the LTE network.

During the 2023 and 2024 financial years, N\$42.2 million was invested by the company, in conjunction with Paratus Botswana, for the construction of the fiber line running through Botswana to link the Equiano subsea cable from the Cable Landing Station, in Swakopmund, to Johannesburg. The construction started during the previous financial year and the route was completed during May 2024.

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.

3.3 Events after the reporting period

The directors are not aware of any material subsequent events.

3.4 Changes to the Board

In accordance with the Articles of Association, one third of non-executive directors are subject to retirement by rotation. Mr M R Mostert was subject to retirement at the Annual General Meeting and was not available for re-election.

The Board would like to convey our thanks and appreciation to Mr M R Mostert for his invaluable contribution and dedication towards the establishment and successes of Paratus Namibia Holdings Limited.

Mr I D J van de Merwe, who has held numerous senior executive positions in the telecommunications sector, was appointed as a non-executive director with effect from 17 September 2024.

3.5 Contingent liabilities

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

3.6 Dividends declared

During the 2024 financial year the Group has declared dividends to the ordinary shareholders amounting to N\$ 9 744 625 (2023: N\$9 744 625).

The directors declared a final dividend of 5 cents per ordinary share amounting to N\$4 945 397, in line with the interim and previous dividends paid. The capital raised from the rights issue, during May 2024, was not deployed at year-end. This proposed dividend is therefore based on the increased number of shares in issue as a result of the rights issue and reflects the performance of the current business operations.

The salient dates of the dividend declared are as follows:

- Board declaration date: 17 September 2024
- Last date to trade cum dividend: 18 October 2024
- First day to trade ex dividend: 21 October 2024
- Record date: 25 October 2024
- Payment date: 08 November 2024

3.7 Appreciation

The Board would like to thank the management team and staff, 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
20 September 2024

REGISTERED OFFICE

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

TRANSFER SECRETARIES

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

COMPANY SECRETARY

Cronje Secretarial Services (Proprietary) Limited

DIRECTORS

H B Gerdes (Chairman) ^, S I de Bruin ^, S L V Erasmus ^, J N N Shikongo ^, A Hall ^, B R J Harmse ^, R R Graig ^, I D J van de Merwe*, R P K Mendelsohn+, G P J Duvenhage+
(#Independent, * Non-executive, ^Executive, +Alternate)

SPONSOR

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



Group Revenue
N\$568.9 million
(30 June 2023:
N\$471.9 million)



Group EBITDA
N\$226.5 million
(30 June 2023:
N\$163.0million)



Group Operating profit
N\$112.8 million
(30 June 2023:
N\$83.7 million)



Headline earnings / share
47.25 cents
(30 June 2023:
38.55 cents)

