

Paratus Namibia Holdings Limited
(Incorporated in the Republic of Namibia)
(Registration number 2017/0558
(NSX Share code: PNH) (ISN code: NA 000A2DTQ42)
("Paratus Holdings" or "the Group")

REVIEWED CONDENSED FINANCIAL RESULTS for the year ended 30 June 2021

	30 June 2021	30 June 2020
	Reviewed	Audited
Revenue	340 560 820	173 390 963
Share of associate's profit after taxation	-	6,662,882
Total comprehensive income for the period	28 976 231	27 411 389
Basic earnings per ordinary share (cents)	59.80	71.27
Headline earnings per ordinary share (cents)	57.86	67.26
Net asset value per ordinary share (cents)	1 129.77	1 091.64
Dividend per ordinary share (cents)	20.00	10.00

The market and prospects

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

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

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

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

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

Data center

The acquisition of the erf to construct the data center (Tier-3 by design), has been finalised. The total cost of the erf amounts to N\$9,3 million. Construction has commenced. The project is expected to be completed during the third quarter of 2022 at a total cost of N\$123 million. Total capital expenditure towards this project at year-end amounts to N\$18 million.

Fiber

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

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

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

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

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

SkyFi

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

LTE

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

Cable Landing Station

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

Project - Golden Strip

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

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

Funding

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

The N\$200 million raised consist of the following:

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

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

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

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

Events after the reporting period

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

Dividends declared

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

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

The salient dates of the dividend declared are as follows:

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

Short form announcement

This short form announcement is the responsibility of the directors. It is only a summary of the information contained in the full announcement and does not contain full or complete details. This announcement is not in itself reviewed or audited but is extracted from the underlying reviewed information.

Any investment decision should be based on the full announcement accessible from Thursday, 23 September 2021, via the NSX link <https://senspdf.jse.co.za/documents/2021/nsx/isse/pnhnm/PNHJun2021.pdf> and also available on our website at <https://invest.paratus.africa>.

Copies of the full announcement are available for inspection at the Group's registered office at no charge, weekdays during office hours.

DIRECTORS

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

REGISTERED OFFICE

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

By order of the Board

23 September 2021

SPONSOR

Simonis Storm Securities (Pty) Ltd
Member of or the Namibian Stock Exchange

