



nimbus

INFRASTRUCTURE LTD

NIMBUS RIGHTS ISSUE

A LAYMAN'S EXPLANATION

WHAT ARE THE RIGHTS BEING ISSUED?

Think of a right as an option to buy more shares in Nimbus on a pre-determined date, at a pre-determined price. In this particular instance, the pre-determined price is N\$10.50 per share, and the right, or option, is to buy up to 15 more shares for every 10 shares that you own on 1 June 2018.

WHAT HAPPENS TO MONEY I PAY FOR MY ADDITIONAL SHARES?

If you decide to exercise your option to buy more shares, the money that you pay for these shares is injected into Nimbus, for future projects and to continue to grow the company.

These projects remain focused on the sub-Saharan Africa information and communication technology sector. Thus far two potential investments have been identified:

- Acquiring a shareholding in Lightstruck Operating Company (Pty) Ltd. This investment will allow Nimbus the opportunity to invest and participate in a phased last-mile fibre network roll out across Windhoek allowing FTTH (fibre to the home) and FTTB (fibre to the business) access in the city's neighbourhoods and business districts.
- Nimbus has started exploring options of constructing and operating colocation centres or "Co-Location Hubs", where equipment, storage space, and bandwidth are available for rental to institutional and retail customers such as banks, technology companies, mobile operators and similar. Due to huge growth in internet penetration rates across the region, this "behind-the-scenes" infrastructure supply is falling behind the strong demand growth, presenting an exciting opportunity for Nimbus.



YOUR OPTIONS:

If you own shares in Nimbus on the 1st of June, you will receive the aforementioned rights (the right to buy up to 15 more shares per 10 shares you currently own, at a price of N\$10.50 per share). You then have three options:

Option 1	Option 2	Option 3
Do nothing – ignore the rights offer and let the rights lapse.	You exercise your rights.	You sell your rights (sell your letter of allocation).
Your rights lapse	For every 10 shares you currently own, you purchase another 15 shares at N\$10.50 per share.	Because your rights allow you to buy shares below the market price of Nimbus, these rights have value. Furthermore, they can be traded. Thus, you can sell your right to buy shares to someone else for some or all of the difference between the market price for Nimbus and the price of the rights. ¹
You maintain your current shares, but do not increase the number of shares you own.	You increase the number of shares you own to 2.5x the number you currently own.	You maintain your current shares, but someone else buys from you the right to purchase 15 more shares for every 10 that you own.
The value of your current shareholding is not affected.	The value of your current shares is not affected, but you now have additional shares, bought at a discount to the current market price.	The value of your current shareholding is not affected.
Your percentage shareholding in the company falls (you own the same value of shares, but the total company value increases)	Your percentage shareholding in the company remains unchanged (assuming you exercise all your rights – you can also exercise a portion)	Your percentage shareholding in the company falls (you own the same value of shares, but the total company value increases)

¹For example, the rights price per share is N\$10.50, but the market price may be N\$11. This means that if someone buys your rights for N\$0.50 a share, they can exercise this right and effectively pay N\$11 per share for Nimbus. This means that by simply selling your right, you could make a profit of N\$0.50 per right you sell, or N\$7.50 per 10 shares you currently own.

The issuing of new shares takes place after the trading of rights (letters of allocation) has completed. This means that if you tried to sell your rights, but were not successful, you can still exercise the rights yourself and buy more Nimbus shares, should you so wish.

DATES:

Rights Issue opens at 09:00 on:

Friday, 15-Jun-18

Last day to trade Letters of Allocation on the NSX:

Friday, 29-Jun-18

Rights Issue closes at 12:00 on:

Friday, 13-Jul-18

Results of the Rights Issue announced on NENS on:

Monday, 16-Jul-18

Rights Issue Shares issued on:

Friday, 20-Jul-18

WAY FORWARD:

We advise that those who do not want to exercise their rights should endeavour to sell them, as this takes little effort and could result in you earning money that you would not earn if you let the rights lapse. In the event that your rights do not sell, you are under no obligation to exercise them, and you can still let them lapse. In both instances, your current shareholding is safe, and its value is not impacted whether the rights sell or not.

In order to either exercise your rights or sell your rights, you should contact your stockbroker. The sponsor of Nimbus is PSG Wealth Management and they will be more than happy to assist you in this matter. Alternatively, any stockbroker in Namibia can also assist you.





Nimbus Infrastructure Ltd. | **Company Reg:** 2017/0558
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