PARATUS

NAMIBIA HOLDINGS LIMITED

INTEGRATED ANNUAL REPORT

2020

PARATUS

Always Prepared

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06 HIGHLIGHTS

HIGHLIGHTS 2020

	30 June 2020	28 February 2019	28 February 2018
Weighted number of shares in issue	35 675 523	22 763 589	6 495 882

	30 June 2020	28 February 2019	28 February 2018
Net asset value per share (cents per share)	1,091.64	1,045.27	987.59
Listed market price per share (cents per share)	1,100.00	1,100.00	1,050.00
Premium to net asset value	0.92%	5.24%	6.30%
Basic earnings per share (cents)	71.27	30.67	10.99
Headline earnings per share (cents)	67.26	30.67	10.99
Dividends per share (cents)	10.00	-	-
EBITDA (N$)	55 148 094	6 981 792	713 972

	30 June 2020	28 February 2019	28 February 2018
Revenue (N$)	173 390 963	4 581 201	2 214 978
Profit before taxation (N$)	31 167 354	6 981 793	713 972

10 BASIS OF PREPARATION

BASIS OF PREPARATION

INTRODUCTION

Paratus Namibia Holdings Limited (previously Nimbus Infrastructure Limited) and its subsidiaries ('PNH' or 'Company' and/or 'Group') take pleasure in presenting the Integrated Annual Report for the period ended 30 June 2020 to stakeholders.

The information in this report has been assembled to provide investors and stakeholders with an overview of our business model, the Group's performance, governance practices, strategy, as well as the risks our business encounter or enjoy, as the case may be. The selection of issues covered in this report has been informed by inputs from various stakeholders, including capital providers and regulators, and further refined through engagement with the executive management and the Board of directors.

SCOPE AND BOUNDARY

The report covers the business model, sustainability and financial activities of the Company and Group from 1 March 2019 to 30 June 2020.

We have compiled an Integrated Annual Report, containing the full financial statements and thus no summarised Integrated Annual Report is issued separately.

Management applied its interpretation of materiality to determine the content and disclosure in this report. A matter is material if it could affect the assessment and decisions of the Board of directors ('the Board'), shareholders and providers of financial capital, and affect the Group's value creation over time.

ASSURANCE

This Integrated Annual Report represents its best efforts to align its reporting with the requirements and principles of the NamCode, the International Financial Reporting Standards ('IFRS'), the Companies Act of Namibia, and the Namibian Stock Exchange ('NSX') listings requirements.

The content of the Integrated Annual Report has been reviewed by the directors and management, but has not been externally assured. The Company's external auditor, PricewaterhouseCoopers, has provided assurance on the financial statements set out on pages 76 to 131 and expressed an unmodified audit opinion.

FORWARD-LOOKING STATEMENTS

This Integrated Annual Report contains forward-looking statements which are made based on underlying uncertainties. The Company and Group cannot guarantee that any forward-looking statement will materialise and, accordingly, readers are cautioned not to place undue reliance on these forward-looking statements.

The Company disclaims any intention and assumes no obligation to update or revise any forward-looking statement even if new information becomes available as a result of future events or for any other reason.

APPROVAL OF THE INTEGRATED ANNUAL REPORT

The Board of directors of PNH acknowledges its responsibility to ensure the integrity of this report and confirms that this Integrated Annual Report addresses all material financial matters and provides a balanced overview of the Group. The Board has approved this 2020 Integrated Annual Report for publication.

On behalf of the Board.

Hans Bruno Gerdes
Chairperson
4 December 2020

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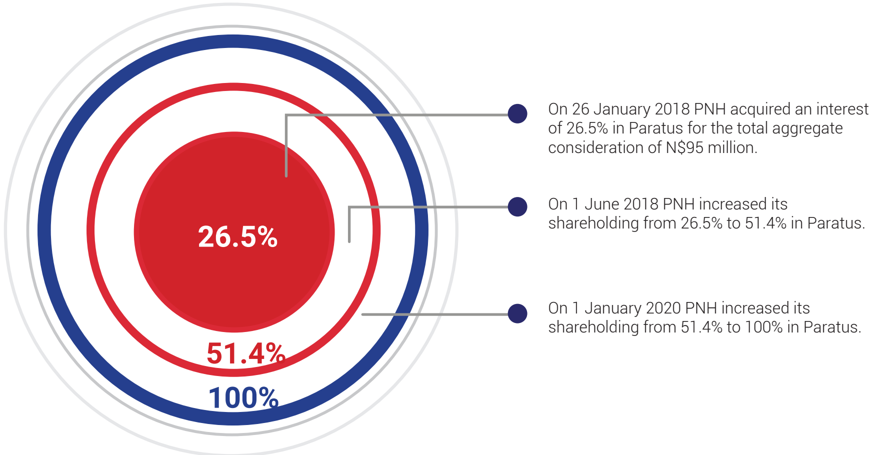
OVERVIEW OF
PARATUS NAMIBIA HOLDINGS LIMITED

THIS IS US
Paratus Namibia Holdings Limited has grown from its humble beginnings of being the first Capital Pool Company ('CPC') to list on the NSX on 6 October 2017 to being admitted to the NSX main board during June 2018, listed under the Technology Sector.

OUR OBJECTIVE
The objective of PNH is pursuing investments in the Information and Communication Technology ('ICT') Sector in sub-Saharan Africa.

GOALS

OUR ASSETS



PARATUS ACQUISITION – 26.5%:

On 26 January 2018 PNH acquired an effective see-through economic interest of 26.5% in Paratus Telecommunications (Pty) Ltd ('Paratus') for the total aggregate consideration of N$95 million as follows:

i. an initial cash payment of N$20 million to acquire 8% of the issued share capital in Paratus from Cuvelai Telecommunications (Proprietary) Limited ('Cuvelai'); and
ii. a subscription in the amount of N$75 million for the allotment and issue of Paratus shares to bring the effective shareholding in Paratus after the allotment to 26.5%.

PARATUS ACQUISITION – 51.4%:
On 1 June 2018 PNH increased its shareholding from 26.5% to 51.4% in Paratus as follows:

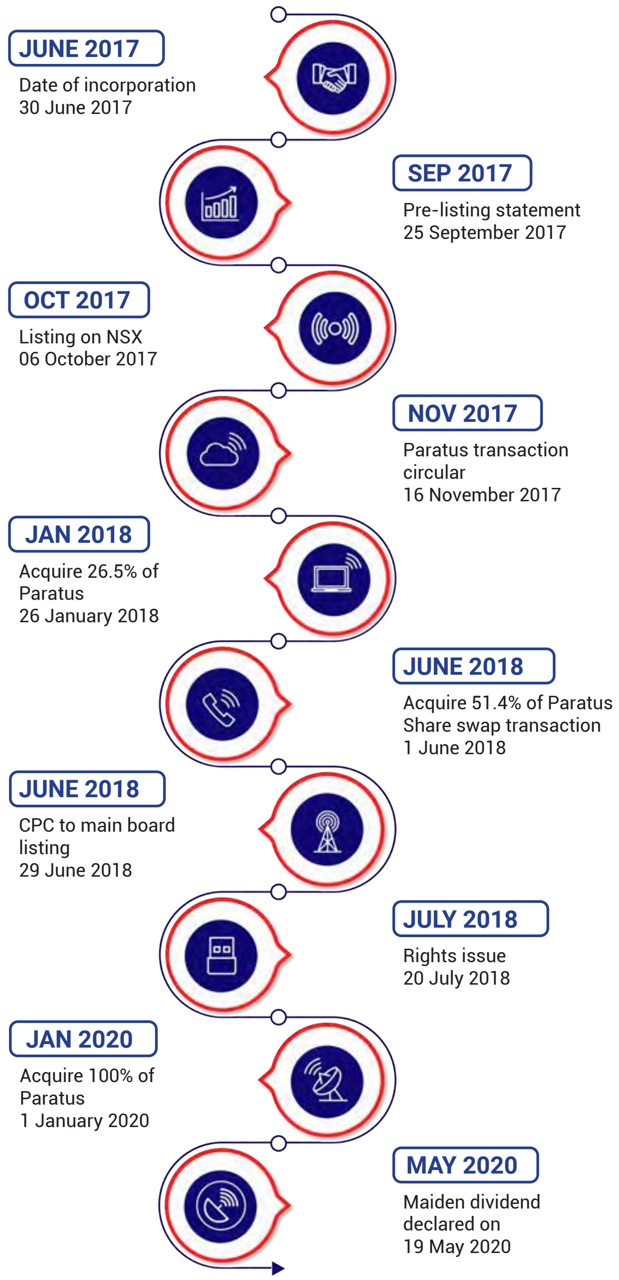
i. in terms of the share swap transaction, PNH acquired 24.9% of the issued share capital in Paratus, consisting of 8,815 ordinary shares held by Cuvelai, representing 18.6% of the issued share capital of Paratus; and 3,000 ordinary shares held by Bartholomeus Harmse, representing a holding of 6.3% of the issued share capital of Paratus.
ii. the purchase consideration consisted of the issue of 8,495,400 new ordinary shares in PNH allotted to the sellers at a pre-determined and agreed-upon price of N$10.50 each at a total value of N$89,201,700.

PARATUS ACQUISITION – 100%:
Effective 1 January 2020, as per circular dated 25 September 2019, PNH increased its shareholding from 51.4% to 100% in Paratus by means of a share swap transaction. The swap entailed the following:

i. A share swap whereby PNH acquired, in accordance with the Swap Agreement, 46,168 ordinary shares in Paratus together with any sales claims held by Paratus Group Holdings Limited ('Paratus Group'), resulting in an increased effective shareholding of PNH from 51.4% to 100% of the total issued ordinary shares in Paratus;

ii. The swap consideration was settled through the issuance of 20,012,431 ordinary PNH shares allotted to the sellers (Paratus Group) at a pre-determined and agreed-upon price of N$10.50 each for a total value of N$210,130,525.50.

PNH Timeline



PARATUS Timeline

2005
ITN starts trading commercially

2006
Launch first commercially available MPLS solution

2007
WIMAX roll-out

2008
Commission Omajowa 2 VSAT Earthstation

2009
ITN Group is formed

2010
Commision VSAT Hub in Rugby London

2011
First private cross-border connection to SA

2012
Awarded comprehensive telecommunications license
First Private cross-border connection to Zambia

2013
Connect to WACS Launch voice as a service with 083 number range

2014
Name change to Paratus
Acquisition of Vox Telecom Namibia

2015
Acquistion of Canocopy
Completion of Paratus HQ building.
Commission Private Cloud solution.
Completion of Fiber ring in Windhoek

2016
Launch of Mobile LTE in Windhoek FTTx deployment in Windhoek

2017
Launch of Nimbus TKF completion Swakopmund to Windhoek

2018
PNH and Paratus History intertwined

2018
TKF completion Windhoek to Buitepos.
FTTx deployment in Swakop
Revival of Omajowa Earthstation.
Fiber between Walvisbay and Swakopmund.

2019
Mobile LTE in Swakopmund, Walvisbay and Okahandja
FTTx deployment in Walvisbay.
TD-LTE upgrade.

PNH STRUCTURE

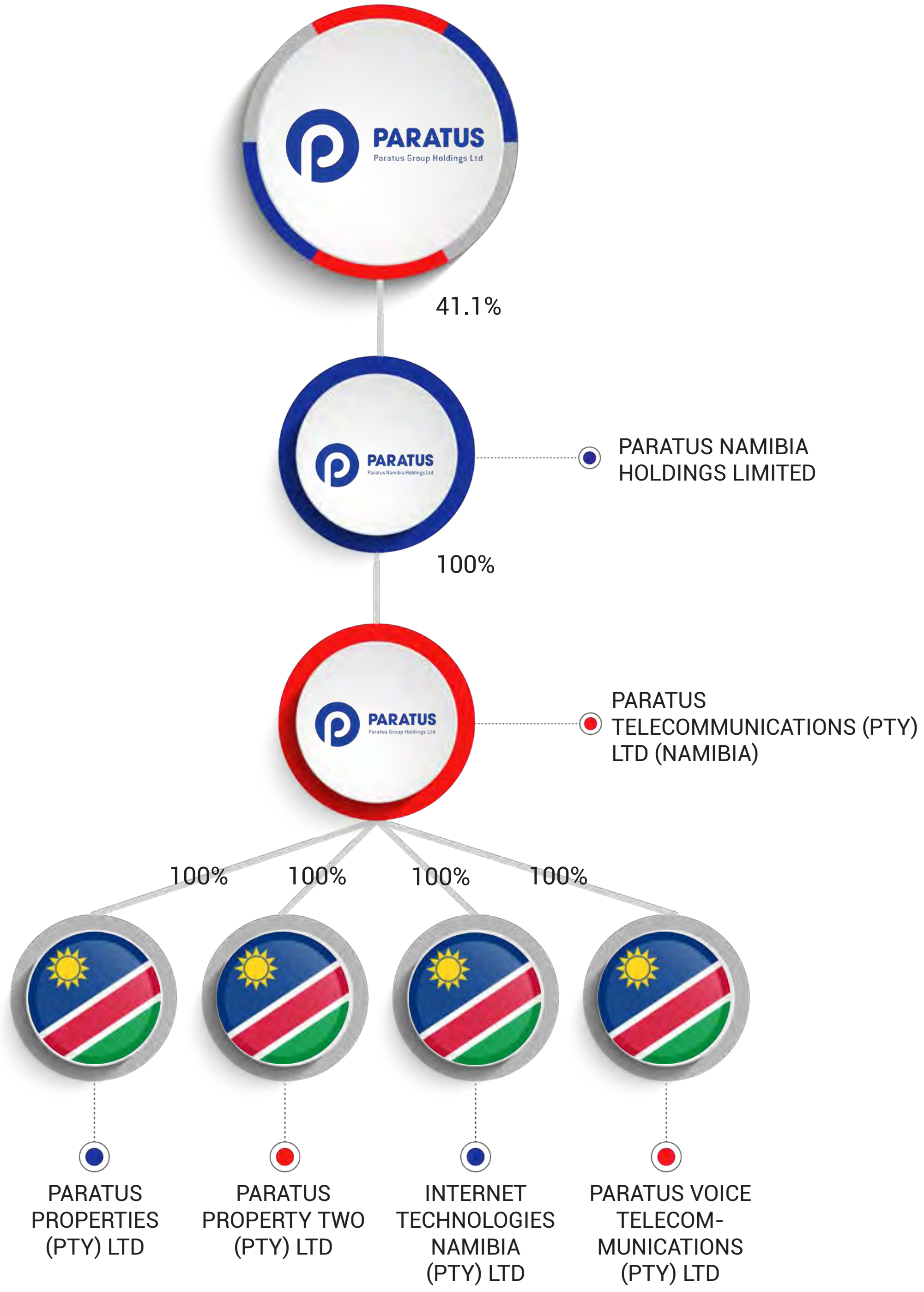
Before 1 January 2020

As a result of the 100% shareholding, the interests and governance structure of PNH and Paratus are now fully alligned. A summary of the material agreements follow below:

BEFORE 1 JANUARY 2020 (BEFORE SWAP TRANSACTION ACQUIRING 100% OF PARATUS)	AFTER 1 JANUARY 2020 (AFTER SWAP TRANSACTION ACQUIRING 100% OF PARATUS)
MANAGEMENT AGREEMENT	
The Board outsourced the day-to-day management of PNH to Paratus, the Manager, by way of the Management Agreement. The Management fees shall be a quarterly fee, calculated as one-quarter of 0.5% of the total value of all the assets acquired or invested in by PNH, excluding Paratus. An amount of N$35,650 per month has been paid to the Manager.	The close of the share swap transaction automatically led to the termination of the Management Agreement.
INVESTMENT AGREEMENT	
The Board has outsourced the investment management of PNH to Cirrus Capital (Pty) Ltd ('Cirrus'), the Investment Manager, by way of the Investment Agreement. The acquisition of viable assets was completed on 26 January 2018, when the 26.5% interest in Paratus was acquired. The Investment Agreement was subsequently renewed. The Investment Manager is entitled to 1.25% on transactions successfully completed, 1.25% on equity capital raised and a fee ranging 0.3% to 1% on debt capital raised.	The close of the share swap transaction automatically led to the termination of the Investment Agreement.
SHAREHOLDERS AGREEMENT	
To govern the relationship between the shareholders of Paratus, a Shareholders Agreement was entered into, to cater for the protection of the minorities.	Post-swap, Paratus become a wholly-owned subsidiary of PNH, negating the necessity for a Shareholders Agreement. However, the Shareholders Agreement will remain in place between Paratus and PNH as the only two remaining parties to the agreement and will continue to serve as a guideline along which the operations of Paratus are to be conducted.

PNH STRUCTURE

As at 30 June 2020



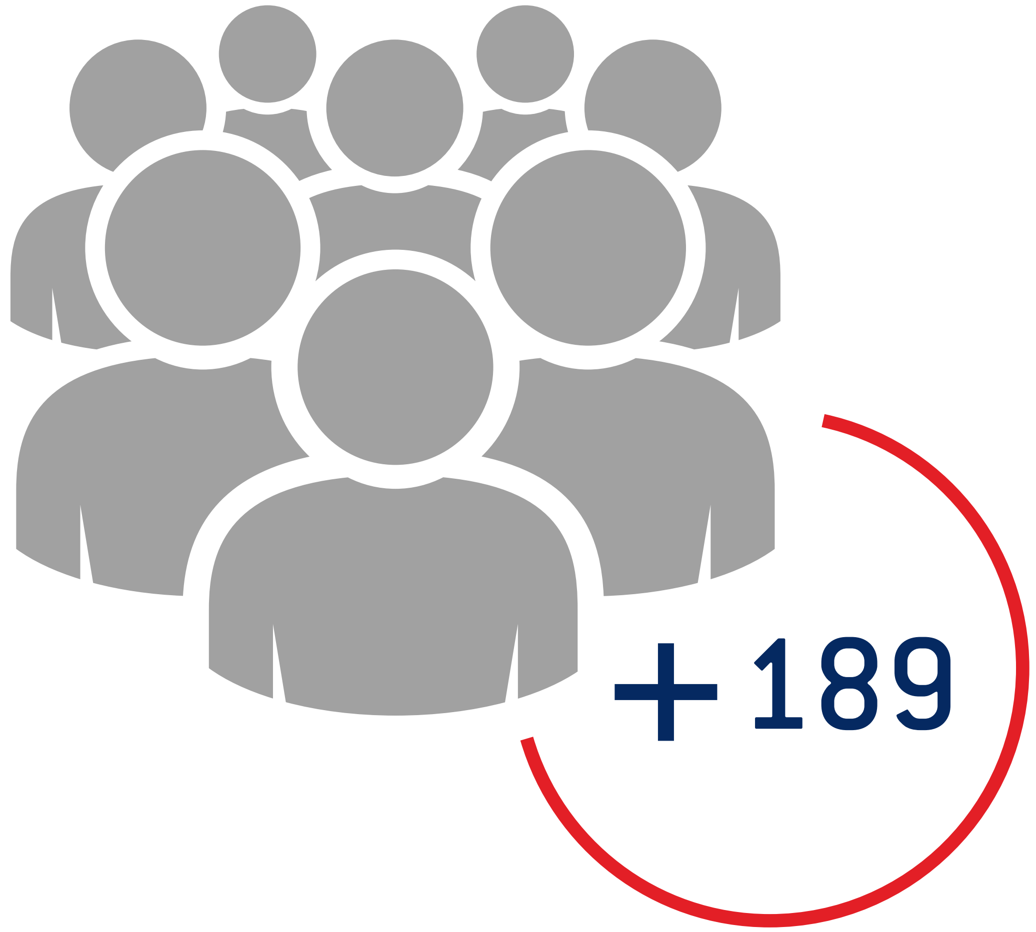
MORE ABOUT PARATUS

The Paratus Group consider themselves the backbone of Africa connectivity. Namibia is one of the 6 (six) African countries in which the Paratus Group has operational offices. The Paratus Group provides ICT network solutions, satellite connectivity and infrastructure in more than 24 countries in Africa – connecting Africa from the West to the East coast.

As part of the larger group, Paratus is able to leverage the larger African footprint to its advantage and assist its clients to connect across Africa.

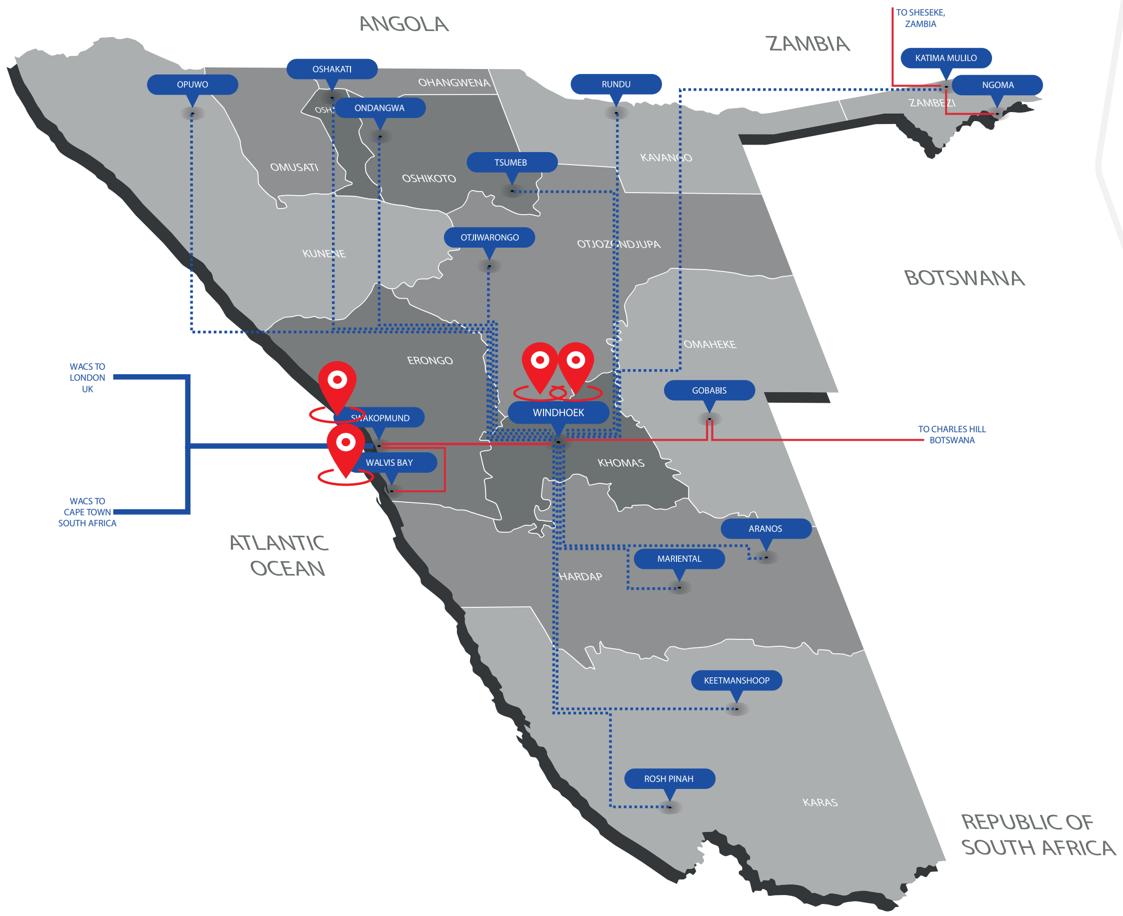
OUR EMPLOYEES

Paratus has a staff complement of 189 employees, ranging from a service record of 1 year to more than 15 years. Paratus strives to be an employer of choice and as such, provides a range of benefits to attract employees across a broad spectrum of ICT services.



OVERVIEW OF
PARATUS NAMIBIA HOLDINGS LIMITED

OUR BRANCHES



Operates 4 (four) branches being:

1. Head Office @ 106 Nickel Street, Prosperita
2. Windhoek Grove Mall of Namibia Branch
3. Walvis Bay Branch
4. Swakopmund Branch

Alongside its branch network, Paratus has a reseller network assisting our clients to gain access to the full network experience.

OUR CLIENTS

Client segmentation runs across various sectors including, but not limited to: Agriculture, Banking and Financial including insurance, SME's, Corporate and Enterprise, National and Multinational corporations as well as public consumers.

OVERVIEW OF
PARATUS NAMIBIA HOLDINGS LIMITED

OUR PRODUCTS

FIBER

WIRELESS

LTE

STRUCTURE NETWORK CABLING

HARD AND SOFT SWITCH SOLUTIONS

TELEPHONY (OWN 083 NATIONAL NUMBER RANGE

HOST OF VALUE-ADDED-SERVICES (CLOUD, ON-LINE BACKUP, DISASTER RECOVERY AS A SERVICE)

Paratus strives to keep growing and raising the benchmark for connectivity in Namibia and our continent.

Paratus deliver world-class technology through passionate and committed employees, who ensure that each customer experience is a valuable one. From humble beginnings, Paratus has grown into a full-service network, connecting customers internationally. Our business is managed by a passionate, and skilled operational team.

The Paratus growth profile is underpinned by the achievement of major successes over the past 10 years, such as transitioning multiple individual technology licences held under the Namibia Communications Commission ('NCC') to a full ECS/ECNS telecommunications license under the Communications Regulatory Authority of Namibia ('CRAN') in 2012 as well as building independent fiber crossings into South Africa via Velloorsdrif/Onseepkans, an independent fiber crossing into Zambia via Katima Mulilo/Sesheke and an independent fiber crossing into Botswana via Buitepos.

OUR FIBER
In 2014, Paratus launched the first privately owned fiber ring in Windhoek which marked a strategic moment in Paratus' life cycle. A clear new trend was set in the telecommunications revenue, with growth accelerating as a result thereof. Paratus has since completed the installation of fiber rings in Swakopmund and Walvis Bay.

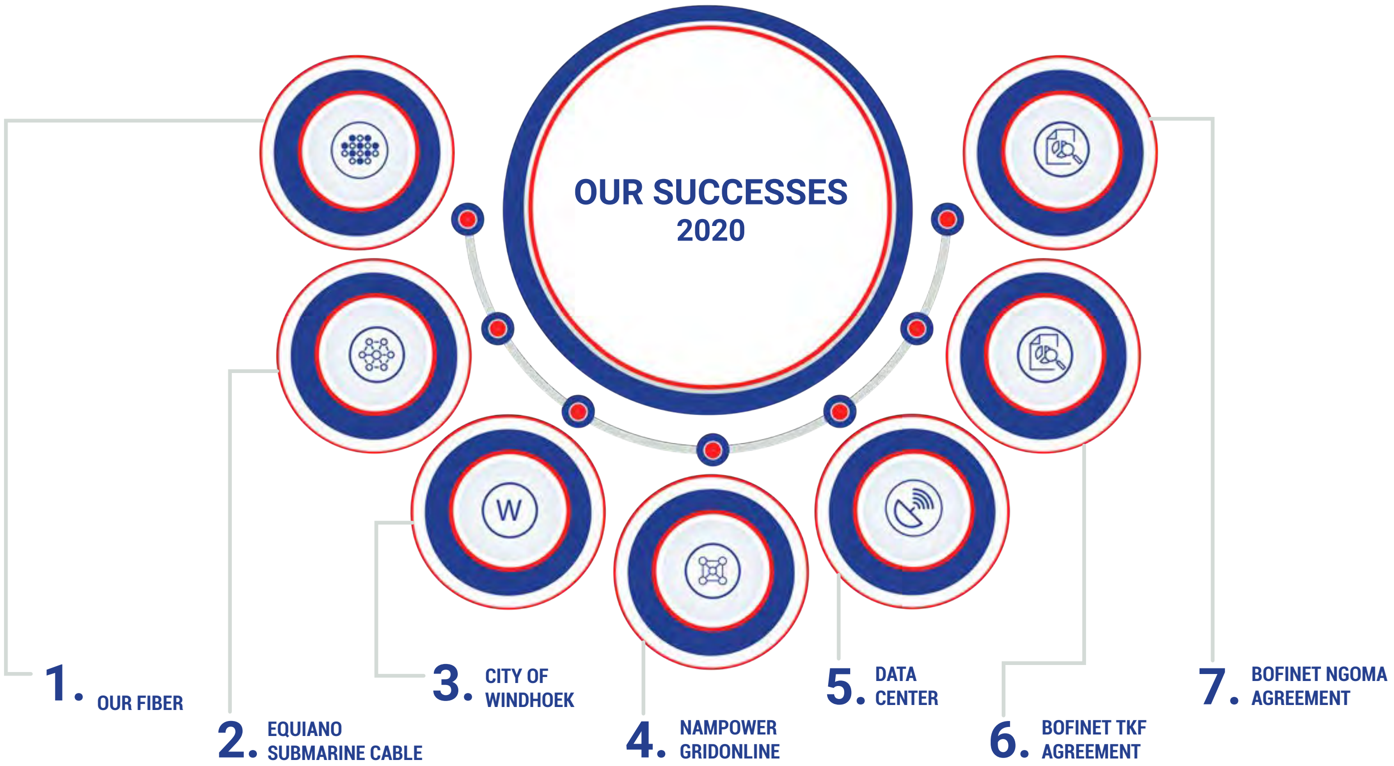
Windhoek, Gobabis, Swakopmund, Walvis Bay

OUR TKF (TRANS KALAHARI FIBER) LINE
In 2018 Paratus completed the Trans Kalahari Fiber line ('TKF') extending from Walvis Bay via Swakopmund, connecting to the West Africa Cable System ('WACS'), via Windhoek to Botswana. The concept behind the fiber route is to connect neighbouring land-locked countries to the WACS cable and connect the East and West Coast of Africa terrestrially without the single dependency on undersea cable systems around Africa.

The TKF route now connects not only the East and West Coast of Africa from the WACS landing station in Swakopmund to the EASSy (Eastern Africa Submarine Cable System) cable landing station in Dar es Salaam, Tanzania, which was completed in August 2019, but also stretches both north and south through its partners in Botswana to connect Botswana, South Africa and Zambia.

Paratus recently completed a new terrestrial connection of approximately 750km from Maputo, Mozambique to the Camden substation in South Africa which connects to the TKF route. This means that Paratus now connects two different routes from the East to the West Coast of Africa.

OVERVIEW OF
PARATUS NAMIBIA HOLDINGS LIMITED



1. OUR FIBER
Despite the delay experienced as a result of the State of Emergency declared on 11 March 2020, the rollout in Windhoek, Swakopmund and Walvis Bay is proceeding. Further, additional funding aided the fiber rollout in Windhoek and other major towns in Namibia. The rollouts were targeted at areas with poor mobile data (3G and 4G) connectivity. Furthermore, corporate customers throughout Namibia were targeted.

2. EQUIANO SUBMARINE CABLE
Paratus entered into an agreement to be the landing partner to land the Equiano submarine cable at Swakopmund, Namibia.

3. CITY OF WINDHOEK
During the year Paratus was served with papers by the City of Windhoek to cease all works relating to fiber deployment and City of Windhoek confiscated all construction equipment. An urgent application filed with the High Court was successful and Paratus obtained an interdict whereby the City of Windhoek is prevented from interfering with the rights of Paratus under the Communications Act No. 8 of 2009 (the 'Act') to lay fiber infrastructure as well as illegally utilising the City Police to threaten Paratus and it contractors from fulfilling its obligations under the Act.

The City of Windhoek is, however, attempting to pass a municipal by-law in direct contradiction with the High Court interdict. City of Windhoek has appealed the judgement.

4. NAMPOWER GRIDONLINE
There is a clear strategy with NamPower. Paratus is buying capacity from NamPower's GridOnline service offering.

5. DATA CENTER
The team also successfully concluded an agreement with a hyper scaler anchor tenant, Google, to occupy space in the Tier-3 data center to be constructed in Windhoek.

6. BOFINET TKF AGREEMENT
The agreement between Paratus and Botswana Fibre Networks (BoFiNet) entered into in September 2017, whereby BoFiNet will gain access, via TKF from Buitepos (Namibia's Border with Botswana) to the WACS landing station in Swakopmund continues to deliver returns in the current period. BoFiNet concluded a 20-year Indefeasible Right of Use agreement ('IRU') with Paratus, being a permanent contractual commercial agreement, with transit bandwidth equivalent to capacities of 10 DWDM Wavelengths.

7. BOFINET NGOMA AGREEMENT
The agreement entered into between Paratus and BoFiNet whereby Paratus provides BoFiNet with two pairs of dark fiber optic cable in terms of a 20-year dark fiber IRU between Ngoma and Sesheke via Katima Mulilo, to connect BoFiNet to Zambia via Namibia continues to deliver returns in the current period.

OVERVIEW OF
PARATUS NAMIBIA HOLDINGS LIMITED

OUR STRATEGY
Paratus will continue to build on the 2020 period successes. On a high level the Paratus strategy for the ensuing year is:

- Expand the national footprint in Namibia - fiber rollout and LTE deployment (mobile data) in all major towns of Namibia and focus on national resellers;
- Improve efficiencies - automate the back office systems;
- Strategic acquisitions;
- Opening of additional outlets;
- Develop a Tier-3 Data Center - The data center will be 1,300 sqm in size and will host 140 cabinets. This will enable Paratus to expand its service offering to the financial services sector and content service providers. The additional services include peering services to improve network efficiency, cloud services and disaster recovery services;
- Raise additional debt funding - the current low gearing of Paratus warrants the additional debt funding. This will optimise the capital structure through a reduced weighted average cost of capital; and
- Equiano submarine cable - Paratus has already entered into a 15-year agreement to be the landing partner for the Equiano submarine cable in Namibia. The bilateral agreements entail two facets, being:

  i. the first whereby Paratus acquires unrestricted right to use of the branch connecting Namibia to the Equiano submarine cable for own use.

  ii. the second being the exchange of services to be rendered to the vendor.

This venture will enable:

- Paratus to sell branch capacity to other carriers in the region seeking to access trunk capacity on an IRU basis;
- Paratus will be in a position to provide true redundancy services to operators and carriers heavily reliant on WACS;
- The Equiano submarine cable via the Namibian Paratus branch and TKF will be the shortest and fastest connection from Europe to Johannesburg, which will see increased demand for capacity on the Paratus owned TKF line connecting Swakopmund to Botswana and Zambia; and
- Increase the Company's profitability and driving down Internet costs to connect more Namibians to the Internet.

Our business model encompasses the six 'capitals'. The inputs from each capital form the foundation of the PNH strategy. Through its business activities, these six capitals ensure that the Group creates value for all stakeholders. This can be seen through the table below which highlights how the six capitals impact our operational outputs.

CAPITAL	INPUTS	ACTIVITIES	OUTPUTS	OUTCOMES
FINANCAL CAPITAL Debt and equity financing; cash generated from operations and investments	Capital raised N$230 million; Funding;	Financial accounting; Debt management; Investments; Corporate activity	Investments Paratus at N$515 million; Revenue generated N$173 million; Profits generated N$25 million	Return on investment; Growth prospects (refer to ; Acquisition strategy
MANUFACTURED CAPITAL Our networks and fiber; Public infrastructure	Fiber Infrastructure; Fiber line (refer to page 25; TKF (refer to page 25);	Converting resources into shareholder returns	Technology and Infrastructure enhancement; Capital growth	Improved bandwidth; Internet access to consumer and enterprise market; Lower cost of data/ bandwidth
HUMAN CAPITAL The motivation, skills, safety and diversity of our employees, contractors, partners and suppliers	Competency; Capability; Industry-specific experience; Motivation; Experienced leadership	Employer of choice; Range of benefits; Training; Incentive programmes; Ongoing engagement with service providers and other stakeholders	Performance measurements	Effective and efficient operations; Attract, motivate, and retain the desired talent
SOCIAL & RELATIONSHIP CAPITAL Trusted relationships with customers, communities, governments and regulators, suppliers and industry bodies	NamCode principles corporate citizen (economic, social and environmental impact on the community in which it operates)	Create and maintain inclusive and mutually beneficial relationships with stakeholders	Infrastructure development; Improved sustainability; Employment; Businesses; Customers	Improved economy; Improved community; Sustainable business
NATURAL CAPITAL Spectrum, energy and land	Natural resources	Operational efficiencies; Reduce carbon footprint with a specific focus on E-waste and green energy; Impact on the environment	Social-economic development (refer to Corporate Social Responsibility and Sustainability report on page 32)	Responsible corporate citizen
INTELLECTUAL CAPITAL Our culture; our know-how; proprietary and licensed technology; procedures and processes	Governance structure Risk management; Investment advisory services; Management resources	Developing and implementing corporate governance; Asset management; Controls and processes; Enterprise risk management	Effective systems and processes; Mitigating controls; Risks and opportunities; Income-generating assets (Refer to our ARC report on pages 60 to 63 and our corporate governance report on pages 52 to 57)	Ethical culture; Effective controls; Execution of strategy

OVERVIEW OF
PARATUS NAMIBIA HOLDINGS LIMITED

OUR STAKEHOLDERS
The Integrated Annual Report is one of our primary modes of communication with our stakeholders.

Our relationships with our stakeholders are critical to our ability to create value. By establishing and maintaining a constructive relationship with our stakeholders, we enhance our business sustainability by being better equipped to address any emerging trends and issues that may impact our business, and how to prioritise them. Effective stakeholder engagement is not only crucial for the growth of the Group, but is also an essential component of sound governance.

COMPANY STAKEHOLDERS	WHAT MATTERS TO THEM	WHAT MATTERS TO US	HOW WE COMMUNICATE
SHAREHOLDERS AND POTENTIAL FUTURE INVESTORS	Return on investment; Strategy execution; Compliance with regulatory requirements; Sustainability	Stable shareholder base; Ability to raise capital in the debt and equity market; Deliver acceptable return on investment for the investors; Sustainable business model	(Annual) General meetings Namibian Exchange News Service ('NENS') investor presentations; Integrated Report; Website
FINANCIERS	Solvency and liquidity; Capital management; Sustainability; Risk management	Access to funding to implement strategy; Funding for future acquisitions; Return on investments	Adhoc meetings; Credit reviews; Integrated Annual Report; Website
EMPLOYEES	Job security; Fair remuneration; Skills development; Favourable working conditions; Training and Development; Transformation; Health and Safety	Attract, motivate, and retain the desired talent; Employer of choice	Monthly staff meetings; Direct communications with line managers; Written communication; Training and development goals; Performance appraisals; Market-related compensation; Short-term incentives
GOVERNMENT AND REGULATORS	Social responsibility; Compliance with regulations and relevant legislation	Sustainability through best practices; Compliance with regulations; Maintaining a good relationship with the regulators	Regulatory and other reporting; Regular meetings
CUSTOMERS, EXISTING AND POTENTIAL	Operational efficiency and productivity; Competitive Pricing; Security of goods and services; Delivery of agreed product; Company strategy;	Stable customer base Organic growth of existing and new customers	Integrated Report; Regular meetings; Website; Client functions and promotions; Leaflets, pamphlets, flyers and brochures
LOCAL COMMUNITIES	Safeguarding the environment; Local recruitment; Local economic development; Infrastructure development; Social Economic Development;	Building and maintaining fruitful relationships and partnerships with stakeholders; Minimise environmental harm; Make a meaningful impact in communities	One-on-one meetings; Contracts; Site visits; Recruiting locally
CONTRACTORS, SUPPLIERS AND SERVICE PROVIDERS	Contractor security in the current climate; Overall sustainability of company; Transparency of procurement processes; Ethical conduct	Professional service; Provision of specialised skills and knowledge	Regular meetings, Contracts
SPONSORS	Services delivered fit client's needs	Understanding our needs when acting as an intermediary	Regular meetings
MEDIA	Transparency; Operating and financial performance	Accurate reporting by media	Only authorised company representatives to engage with the media

OUR INVESTMENT STRATEGY
PNH has clearly defined investment criteria whereby any potential investment will be evaluated.

Investment screening goes through a pre-determined process, with various rounds of approval (by the Investment Committee, the Board and the shareholders), depending on the size of the investment.

The Company's investment policy and guidelines will be managed, and the investment strategy implemented, by the Investment Committee, a committee of the Board.

Criteria and targets for investments
A. Investments in Paratus

- Namibian Infrastructure Projects that complement the existing operations of Paratus; or
- Investments or acquisitions that will add value to the operations of Paratus.

B. Investments in Paratus Namibia Holdings Limited

i. Sector and geographical exposure

- Direct or indirect shareholding in companies operating in the ICT sector, and ICT infrastructure projects, or by purchasing or developing ICT infrastructure assets.
- Geographical exposure limited to sub-Saharan Africa

ii. Strategic Ownership

- Not less than 25% holding in a company.
- Special majority veto right on the Board.
- Special Majority Board Approval:
  - approval of the Company's business plans and annual budget;
  - material changes in the Company's financial policies;
  - appointment of the Chief Financial Officer;

iii. Key financial considerations

- Solvency requirements
  - Debt / Assets ranging between 50% and 75% (for purposes of this ratio, Preference Shares will be deemed to be debt);
  - EBITDA interest coverage of two times (for purposes of this ratio, Preference Share dividends will be deemed to be of interest) [(Earnings before interest, tax, depreciation and amortisation) / Finance Cost]

- Liquidity requirements
  - Acid-test or Quick-ratio of no less than 100%
    [(Current Assets – Inventory) / Current Liabilities]

C. Return requirement on Investments

- Calculated per jurisdiction that is being evaluated based on the Capital Asset Pricing Model:

  Required rate of return = Risk Free Rate + Equity Risk Premium + Unsystematic Risk Premiums

- Whereas the Equity Risk Premium is calculated by way of a macroeconomic model:

  = [(1+ Expected Inflation)×(1+ Expected real growth in GDP) × (1+ Expected change in PE)] + Expected Dividend Yield on the Index

- 10 Year Government Bond Yield
- Long term in Namibia the return expectations should be anchored to

Long term inflation =	7.00%
Real growth in GDP =	5.00%
Dividend Yield on the Local Index =	4.00%
10-year government bond yield =	10.5%
Implied Equity Risk Premium =	6.0%

OUR RETURN TO SHAREHOLDERS
The Board shall attempt to pay dividends to provide shareholders with a dividend yield in terms of the following principles:

- Provide for a dividend pay-out policy of at least 50% of the net income after tax (excluding positive fair value adjustments of financial assets which are non-cash flow items);
- Apply principles in the approved budget adjusted for the actual results;
- Make provision for cash requirements in respect of budgeted cash commitments;
- Allow for reasonable reserves to carry on with the business; and
- Apply a consistent and prudent accounting policy which is IFRS compliant.

On 20 May 2020, a maiden dividend of N$5 million in total, 10 cents per share was declared and paid on 3 July 2020.

A final dividend of 10 cents per ordinary share was declared on 22 September 2020 and paid on 13 November 2020.

CORPORATE
SOCIAL RESPONSIBILITY AND SUSTAINABILITY REPORT

OVERVIEW

The Corporate Social Responsibility (CSR) and sustainability activities of PNH showcase our commitment to giving back to our community in the educational and business incubation / innovation spheres. We continuously review and adjust our corporate social priorities in light of global trends and changes that occur in the needs of our stakeholders to ensure we do our part in making a difference in the lives of Namibians and the socio-economic wellbeing of our community through our annual Paratus Cares Week. These focus areas reiterate our core brand message which is to unlimit the potential of others.

The following key initiatives are underway:

EDUCATION

Paratus prides itself in being an enabler for education, specifically online education and bridging the gap of access to technology. We believe in creating and maintaining platforms to empower future generations.

EduGate – EduVision

Paratus has been involved since the inception of Eduvision in 2017 through an invaluable sponsorship of reliable Internet connectivity through VSAT and SmartBoard technology. Paratus understands the challenges that remote areas face when it comes to physical teaching and the decision to become involved to offer dependable solutions that fit the needs of remote schools was well within our mission of bridging the gap of access to information.

Our established network system and infrastructure provides fast and reliable access to remote areas for their e-Learning needs to help overcome the challenges that are associated with physical teaching methods and improve the quality of education offered to rural schools in remote regions in real-time. Young people are our future leaders, and Paratus aims to aid them with the necessary tools to become truly limitless.

Through the use of SmartBoard technology, teachers in Otjiwarongo are able to teach real-time online classes and direct students to the SmartBoard on both sides of the connectivity i.e. Otjiwarongo and Tsumkwe to interact and solve exercises directly on the SmartBoards. What is written by the teacher in Otjiwarongo, appears on the SmartBoard in Tsumkwe and vice versa when the students in return interact with the teacher in Otjiwarongo.

EduVision was founded to offer effective, interactive classroom teaching between teachers and learners of the EduGate Academy with their counterparts in rural schools by utilising modern teaching methods and technology to help improve the pass rates for learners in grades 10, 11 and 12. Currently, the EduVision programme has grown to ten schools and 1767 learners that benefit from the initiative.

Kwakwas Primary School

In line with its commitment to empower and unlimit the potential of future generations, Paratus provided the Kwakwas Primary School with Internet access through our range of VSAT products. Kwakwas Primary School is a rural school that is situated around 27km north-west of Rehoboth. The school has only four staff members that teach 69 grade 1 to grade 7 learners from the San and the surrounding farming community.

The school had no Internet connectivity prior to Paratus' involvement and given the location of the school, which is out of the coverage of terrestrial network towers, Paratus saw an opportunity to provide VSAT solutions through its range of satellite connectivity options. VSAT is a technology that allows remote areas access to connectivity. We were thus able to connect Kwakwas Primary School.

BUSINESS INCUBATION / INNOVATION

Dololo – DoBox Namibia

Paratus started as a privately owned, entrepreneurial telecommunications service provider and therefore fully understands the needs that entrepreneurs and start-up businesses have, to grow their own businesses as well as the Namibian economy. Our partnership with Dololo and DoBox is a true reflection of how Paratus empowers future generations by bridging the gap of access to information and more importantly, providing the means to access this information.

Dololo is a business incubation hub that exists to develop the entrepreneurship ecosystem in the country. DoBox is the latest addition to Dololo and it offers a business incubation center, coworking spaces for entrepreneurs as well as providing services to forward-looking companies and institutions by facilitating Internal Innovation Workshops, events and training. events and training. Paratus has partnered with DoBox to become its connectivity sponsor with the aim of connecting these entrepreneurs to the rest of the world through a reliable and fast Internet connection.

CORPORATE
SOCIAL RESPONSIBILITY AND SUSTAINABILITY REPORT

OTHER CSR ACTIVITIES

Paratus Cares Week 2019

While our main focus for CSR remains education and business innovation, we continue to review and adjust our corporate social priorities in light of global trends and changes that occur in the needs of our stakeholders to ensure we make a difference in the lives of Namibians.

The Paratus team delivered food items, beanies and toys to the children of the following less fortunate communities.

1. Katutura Old Age Home
2. Huis Maerua Children's Home
3. Beautiful Kidz School
4. Dagbreek School for the Intellectually Impaired
5. Side-by-Side, an early intervention centre for children with disabilities
6. Dordabis pre-primary and primary school

SUSTAINABILITY

As a company that operates with a continuous growth mindset, we are cognisant of the effects our business operations have on the environment and the community. Many of the challenges for companies operating in the technological sector is the rapid growth and evolution of software, hardware as well as ways of working and the disposal of equipment that has become redundant. While there is no regulatory and policy framework in place in Namibia governing the consequences of electronic waste, Paratus has taken the necessary steps to ensure that we operate and handle all redundant equipment which may pose a threat to the environment in a controlled manner. We also understand the importance of utilising our country's natural resources in a sustainable way to conduct business.

Paratus E-waste

Paratus has its own E-waste skip on-premises at its headquarters in Prosperita for electronic equipment. We have an agreement with SKIPGO for the e-waste removal to have all redundant electronic equipment periodically emptied and disposed of.

Green Energy

As a sustainable and responsible company, Paratus has a 194-panel PV (Photo Voltaic) solar installation which generates on-premise capacity using the natural solar resource – the sun. Since the installation of the panel in 2015, Paratus has saved a total of 129.81 tonnes of carbon emissions. This amount can be equated to about 865,407 km of fuel emissions.

GOING FORWARD

As a Namibian company, we are committed to bring change to its economy, its people and its environment and to leave a footprint we are proud of.

BOARD OF DIRECTORS

INDEPENDENT NON-EXECUTIVE DIRECTORS

HANS-BRUNO (HABO) GERDES (67), Chairperson
Appointed: 8 August 2017
Qualifications: ACIS/ BPROC (UCT)
Nationality: Namibian

Function and Committees: Remuneration and Nomination Committee, Audit, Risk and Compliance Committee.

Background: Habo was previously the Managing Partner of Engling, Stritter & Partners. Habo is an associate of the Institute of Chartered Secretaries and holds a BProc degree from the University of Cape Town. He currently practices as a commercial/corporate attorney and holds a number of directorships in both listed and unlisted companies and serves on various governance committees. He is also the chairperson of the Legal Practitioners Fidelity Fund and Honorary Consul for the Kingdom of Belgium in Namibia. Habo has been a board member of the NSX since 2009.

MORNÉ ROMÉ MOSTERT (34)
Appointed: 30 June 2017
Qualifications: B Comm, Chartered Financial Analyst Charterholder
Nationality: Namibian

Function and Committees: Remuneration and Nomination committee (Chairperson), Investment Committee

Background: Romé is a CFA Charterholder with a BComm degree from the University of Stellenbosch.

Romé has run the research desk at two of Namibia's largest stockbrokers and was also the Managing Director of IJG Securities. Romé has a passion for financial markets and is extremely well regarded in this space. He developed both of Namibia's official bond and equity indices, to which billions of Namibia Dollars of invested funds are benchmarked by the country and region's asset managers.

He has managed assets for various companies and individuals, focusing on customised segregated portfolios for specialised purposes. Romé served as a director of the NSX from July 2015 to April 2018 and has been involved in a number of debt and equity listings. He is a local valuation expert, having valued various companies from start-ups to large mining entities.

STUART HILTON BIRCH (51)
Appointed: 8 August 2017
Qualifications: B. Comm (Computer Science), MBA
Nationality: South African

Function and Committees: Investment Committee

Background: Stuart has been in the ICT Industry for over 20 years and is currently a co-founder of IRIS Network Systems, a company that focuses on providing telecommunications and Internet Service Provider ("ISP") companies with comprehensive Network Management Solutions. Stuart is currently the Managing Director of IRIS Network Systems who delivers and manages their software and hardware on 178 servers spread over four continents and in 10 countries. His clients include: - Undersea cable companies - Pan-African ISPs - Regional ISPs - Data and VOIP providers – North American regional Carrier Service Providers. Before IRIS Network Systems, Stuart gained extensive experience in the ICT Industry working at Dimension Data, of which Internet Solutions is a subsidiary, where he served clients in retail, financial services, telecommunications and healthcare. At Dimension Data, Stuart held positions in Account Management and Business Development. He was also the Regional Executive for the Western Cape Region for Internet Solutions where his region was awarded Region of the Year at the Annual Dimension Data Sales Awards in both 2007 and 2008 for the Africa and Middle East region. In 2004 Stuart served on the Dimension Data Western Cape Exco, and on the Internet Solutions Exco between 2006 and 2010.

JOSEPHINE NAANGO NDAKULILWA SHIKONGO (35)
Appointed: 8 August 2017
Qualifications: Associate Chartered Management Accountant (ACMA), Chartered Global Management Accountant (CGMA), MPA: Strategic Public Management & Leadership, CIMA Advanced Diploma in Management Accounting, CIMA Diploma in Management Accounting, CIMA Certificate in Business Accounting, National Diploma: Accounting & Finance
Nationality: Namibian

Function and Committees: Remuneration and Nomination Committee (Chairperson), Audit, Risk and Compliance Committee

Background: Josephine has over 10 years' experience in the accounting and finance field. She has worked in various sectors, including media, telecommunications and mainly the financial sector. She has served in a managerial capacity at the Motor Vehicle Accident Fund of Namibia, Agricultural Bank of Namibia and is currently the Head of Finance and Administration for BFS Nampro Fund Manager. Her experience includes overseeing the financial and management accounting functions, procurement and property management, as well as IT and HR functions. While studying in the US as a Fulbright Scholar, Josephine worked for the Strategic Initiatives department at World Business Chicago, an economic development public private partnership that drives the City of Chicago's economic growth.

BOARD OF DIRECTORS

NON-EXECUTIVE & EXECUTIVE DIRECTORS

JOHANNES JACOBUS (JACO) ESTERHUYSE (42)
Appointed: 23 May 2018
Qualifications: CA (SA)
Nationality: South African

Function and Committees: Audit, Risk and Compliance and Investment Committee (Chairperson)
Background: Jaco currently holds the position of Chief Financial Officer of the Capricorn Investment Group Limited. He has extensive experience in the financial and investment industry.

His career in the financial and investment industry commenced in 2005 in the United Kingdom where he was based until November 2011. During this time he worked for Mitsui Sumitomo Insurance Company Ltd, Oakwood Global Finance and Barclays PLC amongst others. He returned to Namibia in December 2011 and joined the Capricorn Group in January 2012.

STEFANUS ISAIAS (STEFAN) DE BRUIN (46)
Appointed: 8 August 2017
Qualifications: B Com (Hons), CA (Nam), H Dip (Tax)
Nationality: Namibian

Function and Committees: Board member, Group Chief Financial Officer
Background: Stefan has more than 20 years of experience in operations and finance of which the last ten years were spent as an executive director of Namibian listed entities. Stefan is currently the Chief Financial Officer of the Paratus Group. Stefan joined Old Mutual Investment Group Property Investments (Proprietary) Limited (OMIGPI) in August 2008 and served as a representative director of Oryx Properties Limited (NSX listed company) as well as Oryx Management Services (Proprietary) Limited, a subsidiary of OMIGPI until November 2010. Stefan resigned from OMIGPI with the internalisation of the asset and finance management functions of Oryx Properties Limited and was appointed by Oryx Properties Limited as Chief Executive Officer. He served as a non-executive director of the NSX from 2013 to 2016. During this period he served as Chairman of the Audit and Risk Committee. Stefan also served as a non-executive director of the Old Mutual Orion Namibia Pension and Provident Funds from 2016 to 2019. During this period he also served as Chairman of the Audit and Risk Committee. He is currently the Chairman of the Professional Provident Society Insurance Company (Namibia) Limited (PPS) board. He was previously a senior manager for Tax and Legal Services at PricewaterhouseCoopers from 2002 to 2003, Financial Manager at Siemens Namibia (Proprietary) Limited from 2003 to 2005 and Financial Director at Siemens Namibia (Proprietary) Limited from 2005 to 2008.

SCHALK LEIPOLDT VAN ZYL ERASMUS (43)
Appointed: 8 August 2017
Qualifications: Microsoft Certified Systems Engineer (MCSE) and Cisco Certified Associate
Nationality: Namibian

Function and Committees: Board member, Group Chief Operations Officer.
Background: Schalk has been in the Service Provider and telecommunications Industry for over fifteen years and has co-founded various operating companies in Africa. Schalk is currently the Chief Operating Officer of the Paratus Group, providing services in 24 African countries with physical presence in six African Countries which include: Angola, Botswana, Mozambique, Namibia, South Africa and Zambia. The Africa success story is a testament to his technical capabilities and leadership skills. Formerly, Schalk was a founding shareholder and Technical Director of Internet Technologies Namibia (Proprietary) Limited from inception in 2005 till 2014 when the Company was incorporated into Paratus Telecommunications (Proprietary) Limited. Schalk managed his own business ventures from 2000 Prior to this Schalk managed his own business ventures from 2000 till 2004, offering technical support to the US Government and various NGO's including USAID, FHI and the United Nations. Prior to 2000, Schalk obtained various Diplomas in Software Support, Bookkeeping and Accounting. Schalk also obtained his MCSE (Microsoft Certified System Engineer) and later his Cisco Certification. Schalk was also a Microsoft Certified Trainer where he conducted training on almost all Microsoft Products. During the late 90's Schalk became the Branch Manager of ISU Campus, an authorised Training and Certification Centre.

Andrew Hall (38)
Appointed: 25 September 2019
Qualifications: B. Com with specialization in Entrepreneurship - Cum Laude (Unisa)
Nationality: Namibian

Function and Committees: Board member, Managing Director - Namibia
Background: Andrew has been in the telecommunications industry for 18 years. He is passionate about customer service and a firm believer in the under-promise but over-deliver philosophy.
Andrew is very service delivery orientated and is a very good communicator; having numerous teams reporting to him. Andrew started out in the telecommunications industry as a technical apprentice in 2001. He progressed rapidly due to his passion for the industry and the commitment to ensure projects are completed, implemented and planned meticulously. He progressed to become the Managing Director of Vox Telecom. He is now the Managing Director of Paratus and is responsible for all operations across the entire product spectrum. Due to his technical background, he understands technology and has the ability to design, plan and implement projects across diverse deployments at all levels.

BOARD OF DIRECTORS

NON-EXECUTIVE & EXECUTIVE DIRECTORS

BARTHOLOMEUS ROELOF JACOBUS (BARNEY) HARMSE (50)
Appointed: 25 September 2019
Nationality: Namibian

Function: Board member, Group Chief Executive Officer
Background: Barney Harmse is a Namibian who matriculated from Academia High School in Windhoek in 1988.

Directly after high-school Barney took up employment in the Government as a computer programmer at the old Personnel Institution, which forms part of the Office of the Prime Minister today.

After Government he joined BCS Computers in 1991 as a Programmer, that provided Insurance Systems to the Insurance industry for Brokers and Insurance companies on a Bureau basis. It is during this time at BCS Computers that Barney fell in love with his new passion, WAN Networking.

Barney has an impressive 30-year career in the networking telecommunications service industry in Africa and has reached multiple milestones during this period. Barney was instrumental in establishing commercial Internet in Namibia.

He co-founded the original UUNET Internet Africa in Namibia which is MTN today. Since 1996, he was the MD of UUNET Namibia for 7 years until 2002. After UUNET, during the last 18 years, he has co-founded various companies in Angola, Namibia, Zambia, Botswana, Mozambique as well as South Africa.

Today these companies all form part of the Paratus Group, and deliver product and service to more than 24 African countries. The Paratus Group have approximately 450 dedicated employees in Africa. These 450 employees represent more than 5000 family members, to whom Paratus provides for daily.

ROLF PETER KONRAD MENDELSOHN (37)
Appointed 25 September 2019
Nationality: Namibian

Function: Board member, alternate director to Mr Harmse, Group Chief Technology Officer.
Background: Rolf matriculated from Pretoria Boys High School and is committed to driving innovation across the African continent. He registered and started his first business, at the age of 16. Doing network installations and PC Maintenance.
He co-founded various companies across Africa which, today, form part of the Paratus Group.

After a civil war of 27 years that ended in 2002, Angola had fallen behind in its development. The conflict destroyed much of the infrastructure and had a negative impact on business and the economy. On 23 February 2003, Rolf arrived in war-torn Angola to start an Internet Service Provider ("ISP") business called Internet Technologies Angola (ITA).

More than 17 years later, Angola is still known for not being the easiest place to do business. Nevertheless, Mendelsohn and his partners have proven that it is possible to run a successful company in Angola.

Rolf, Miles October and Barney Harmse worked together at UUNET, until they started ITA - Internet Technologies Angola and at the time ITN - Internet Technologies Namibia. In February 2003, Rolf and Miles October started out with the bare minimum with a company called Tesmi Angola, which was a Namibian-Angolan company. The following year Barney Harmse came up to join them in Luanda. Rolf has recently returned to Namibia on 23 August 2020, joining the team at the Paratus Group Head office.

RETIREMENTS DURING THE YEAR

BROWN YATI ILONE AMUENJE (42)
Appointed: 8 August 2017, Retired: 25 September 2019
Qualifications: BComm with majors in Finance
Nationality: Namibian

Function and Committees: Investment Committee (Chairperson), Remuneration and Nomination Committee, Audit, risk and Compliance Committee
Background: Brown has over 14 years of investment management and financial service experience. Prior to starting the business of Catalyst Investment Managers, Brown was the Managing Director and Portfolio Manager for STANLIB Namibia.

Brown was also an investment analyst at Allan Gray Namibia and has stockbroking experience with Golding Torr De Decker in Johannesburg.

CHAIRPERSON'S REPORT

for the period ended 30 June 2020

It gives me pleasure to present the Chairperson's Report on the Group's activities for the period ended 30 June 2020.

In a period of just under three (3) years, Paratus Namibia Holdings Limited (PNH) (previously Nimbus Infrastructure Limited) has grown from its humble beginnings of being the first Capital Pool Company ('CPC') to list on the NSX on 6 October 2017 to where it is today.

ECONOMIC OVERVIEW

Sub-Saharan Africa, like the rest of the world, continues to experience high economic and social costs amidst the coronavirus pandemic and various mitigative responses. Although many economies have gradually reopened, economic activity in the region is expected to contract by 3.0% this year – the worst on record. Furthermore, real per capita incomes are anticipated to fall by 5.3%, taking this back to 2013 levels. The relatively large contraction in economic activity this year and gradual reopening of economies see a modest recovery of 3.1% growth for 2021, however much of this driven by the base effect.

Downside risks remain, particularly around the dynamics of the pandemic, the capacity of health systems within the region, and public finances. The collapse in economic activity, external demand and many commodity prices (particularly oil) are detrimental to public revenues for much of the region. This increases the risk of larger deficits for longer, the need to access external financing, the possibility of debt traps, or greater risk of sovereign defaults. This places many nations within the region on far more precarious footing, although some relief may be granted through initiatives such as those by the G20 and IMF. Nonetheless, the damage caused this year will set the region back many years, and though some economies may recover more quickly than others, the general path to pre-2020 levels will be a slow one.

Namibia is no exception to these troubles. The country first faced a collapse in external demand as tourism came to an abrupt halt and commodity prices faltered. Domestic restrictions, such as lockdowns, resulted in an internal supply shock, which developed into an internal demand shock as struggling businesses needed to cut costs through downsizing, retrenchments or reducing wages. The impact of the pandemic and response measures have been seen across all economic sectors, although agriculture and telecommunications have remained robust. The former benefited from better rains, while the latter has seen increased demand as individuals and businesses required greater need for services as remote working policies were driven (where possible).

The recovery in Namibia, like elsewhere, will be a slow. Estimates of the contraction for 2020 range from negative 7.0%, to negative 8.5%, to deeper than 10.0%. Government finances are also greatly affected, with a record deficit this year and large deficits over the medium-term placing Namibia on a rocky debt trajectory. Although balancing the budget is vital, further withdrawal of the government from the economy would further delay a meaningful economic recovery. Much of the growth anticipated for 2021 is already predicated on the base effect, with organic growth only anticipated for the outer years.

FINANCIAL RESULTS

The financial period of 16 months came to an end on 30 June 2020 since the financial year end of PNH was amended to June effective 25 September 2019.

The most significant event for the financial period was the increase of the shareholding of Paratus from 51.4% to 100% as a result of which Paratus changed from an associate company to a fully-owned subsidiary effective 1 January 2020.

The growth in revenue, EBITDA and profit after tax are attributed to the performance and resilience of the team during a very challenging period. The revenue of PNH grew to N$173.4 million and EBITDA rose to N$55.1 million, while the net profit after taxation amounted to N$25.4 million. This was mainly due to Paratus realising a net profit after taxation of N$25.8 million from its N$431.9 million revenue.

The good performance over the period enabled PNH to declare its maiden dividend of 10 cent per share in May 2020 and a further final dividend of 10 cent per share, declared in September 2020.

GOVERNANCE AND RISK MANAGEMENT

As a result of the 100% shareholding, the interests and governance structures of PNH and Paratus are now fully aligned.

During the year under review, the Board and its sub-committees continued to function effectively. The Board, the Audit, Risk and Compliance, Remuneration and Nomination as well as the Investment Committees executed their functions in terms of their mandates, the NamCode and the Companies Act.

OUTLOOK AND PROSPECTS

Despite the severity of current circumstances, there are glimmers of opportunity. The impetus behind remote working and digitalisation are a boon for the ICT space, not just in the developed economies but across Africa as well. Individuals increasingly demand more and faster data connectivity, while many businesses need to provide for secure remote access and improved systems to facilitate the growth in 'work-from-home' policies. This is indicative of the robustness of the industry, and that it can play a role in driving a faster recovery within the region.

Projects for the ensuing year have already commenced with Paratus having entered into a 15-year agreement with Google to be the landing partner for the Equino submarine cable in Namibia and the construction of a Tier-3 data center, hosting 140 cabinets, being underway.

APPRECIATION

I would also like to extend my sincere appreciation and gratitude to my fellow Board members and our highly committed executive team, managers and employees, as well as to our valued customers and service providers, for their co-operation, dedication, valued efforts and participation during the period to achieve these results in trying conditions.

In closure I would like to bid farewell to Brown Amuenje, a non-executive director of the Company, who retired effective 25 September 2019. I, on behalf of the Board of directors, hereby thank Mr Amuenje for his invaluable contribution to PNH and wish him success in his future endeavours.

Hans Bruno Gerdes
Chairperson
4 December 2020

MANAGING DIRECTOR'S REPORT

OVERVIEW

The last 6 months will definitely result in 2020 being a year to go down in the history books with worldwide travel bans, quarantine, curfews and lockdowns becoming our everyday norm. The impact of this pandemic was severe on an already struggling economy. The first industry affected was the tourism industry who overnight lost their customers and the ripple effect on industries dependent on them followed. The tourism industry contributes to roughly 6.5% of our turnover. We offered assistance to our customers in the tourism industry with discount options or temporary suspensions.

We did however also experience an upside to this pandemic which resulted in a substantial increase in consumer demand with both data usage and new connections delivering a sharp increase on consumer-based revenue.

The fast and easy customer deployment of the LTE network was a huge contribution to this consumer revenue increase during the lockdown period.

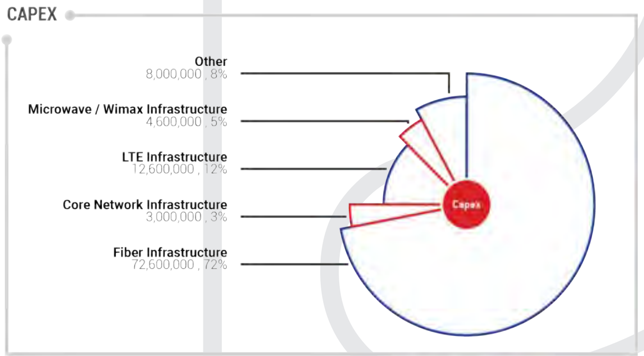
The agility of adaption and capability of our billing engine also enabled us to customise and release data packages to market with relative ease.

With all the challenges faced during this past financial period we still achieved total revenue of N$173.4 million over a 16-month period and exceeded our set revenue target by 4%.

ASSETS/INVESTMENTS

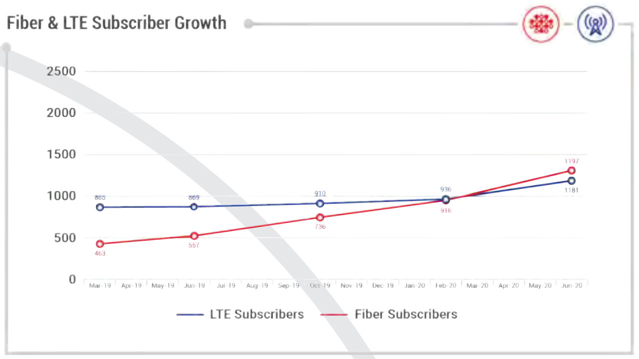
Our capital expenditure for the financial period March 2019 to June 2020 was N$101 million. The main contributors to this amount was our fiber and LTE infrastructure expansion. As depicted in the graph below we invested N$72.6 million in fiber infrastructure and N$12.6 million in our LTE network. We mainly did fiber deployments in Walvisbay, Swakopmund and Windhoek with national expansion of our LTE network in Walvisbay, Swakopmund, Okahandja, Otjiwarongo and Windhoek.

Capex for financial period March 2019 to June 2020



The expansion of our network puts us in the position to supply services and expand our consumer footprint which currently contributes to about 15% of our annual revenue.

Our subscriber count over this past financial period increased with 158.5% on fiber and 36.5% on LTE.



Current market trends have also shown that both corporate and enterprise customers are also moving towards the use of broadband services as available capacity on these services have increased tremendously, at more affordable rates and with the introduction of SD-WAN still makes it possible for them to experience enterprise level reliability and quality of service. Factors that have contributed to this are:

1. SD-WAN and its capability;
2. Higher capacities available on broadband services with technologies like fiber and LTE; and
3. Cost cutting across the board in difficult economic times

With our focus and strategy of fiber and LTE infrastructure deployment it has perfectly aligned us to provide these services to both existing and new customers.

INVESTMENT STRATEGY

We will continue to invest in our own infrastructure for the next financial year with a capital expenditure budget of approximately N$150 million.

Our focus will remain primarily on fiber and also a continued national roll out of our LTE network.

We also have a back-office systems project planned to improve efficiencies by means of business process automation. This is also in alignment to cater for the increase in customers and services offered to consumer.

Paratus is the official landing partner for the Equiano submarine cable in Namibia, a transaction valued at approximately N$260 million. The cable landing station, set to be completed in 2021, will be the second submarine cable landing in Namibia offering the country redundancy and even more affordable international capacity. This will enable Paratus to leverage even greater returns on our Trans Kalahari Fiber route due to the sale of capacity to neighbouring countries.

The PNH board approved the development of a Tier-3 / PCI-compliant data center, with an expected completion date of 2022 with a total value of N$120 million. The first phase of this data center will house 140 cabinets of which 40% will be taken up by an international anchor tenant. Paratus will also include an array of value-added services to customers who make use of these facilities.

ACKNOWLEDGEMENTS

I would like to thank all stakeholders including our loyal shareholders, board members and most importantly our customers.

Special mention must be made of the Paratus executive team as well as all staff members. To say that this has been a challenging year would be an understatement, but with the phenomenal teamwork and resilience we as a team and Company have portrayed during this time, the results are evident.

Andrew Hall
Managing Director
4 December 2020

CHIEF FINANCIAL OFFICER'S REPORT

INTRODUCTION

This financial review offers a condensed view of the financial results of Paratus Namibia Holdings Limited ("PNH") for the 16 months ended 30 June 2020. These are presented in a simplified form for ease of reference and understanding and are reflective of how the information is analysed by management. The financial review should therefore be read in conjunction with the full financial statements.

TRANSACTION HISTORY AND SHARE PRICE PERFORMANCE

The financial period of 16 months came to an end on 30 June 2020; we reflect on the outcomes of the operations, objectives and initiatives implemented, and consider the challenges encountered. We are satisfied with the performance of the Group over the period, particularly given the tough economic climate and challenging trading conditions experienced.

The PNH listing offers a strong diversification opportunity for the funds of institutions and individuals alike, allowing diversified jurisdiction, currency and sector returns for investors.

The Company was listed on 06 October 2017 through a private placement and was the first Capital Pool Company listed on the NSX. A total number of 10,288,400 shares were issued at a price of N$10 per share, which raised capital to the amount of N$102.8 million. The key points in relation to the rationale for listing was the increased local assets requirement, diversification of the NSX to facilitate contractual savings, access to funding, additional level of credibility and the opportunity for both local and international investors to co-invest.

On 24 January 2018 PNH finalised the acquisition of a 26.5% interest in Paratus. In terms of the acquisition PNH acquired 8% of the issued share capital in Paratus from Cuvelai Telecommunications (Pty) Ltd for a cash payment of N$20 million. Paratus has allotted and issued shares in Paratus to PNH for an amount of N$75 million, to bring the effective shareholding of PNH in Paratus after the allotment to 26.5%. During the 2019 financial year, Paratus utilised the N$75 million capital injection to further the Paratus infrastructure deployment strategy.

On 01 June 2018 PNH finalised the acquisition of an additional 24.9% interest in Paratus through a share swap transaction between PNH, Cuvelai Telecommunications (Pty) Ltd, an individual shareholder of Paratus in terms of the share swap transaction PNH issued 8,495,400 new ordinary shares, which were allocated to the sellers at a price of N$10.50 per share and a total value of N$89,201,700. This transaction resulted in PNH owning a 51.4% interest in Paratus.

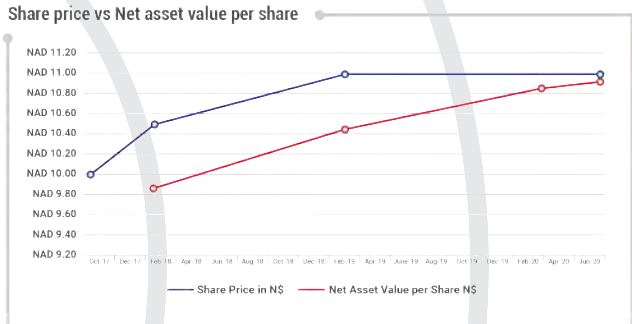
During June 2018 PNH received approval from the NSX to be admitted to the NSX main board effective 29 June 2018. The Company was therefore no longer classified as a Capital Pool Company, but a fully listed entity on the main board of the NSX.

On 20 July 2018 PNH concluded a rights issue. In terms of the rights issue, PNH offered 15,545,085 new ordinary shares to qualifying PNH rights holders in the ratio of 15 rights issue shares for every 1 PNH right held (qualifying shareholders received 1 PNH right for every 10 ordinary shares held). PNH shareholders subscribed for 9,851,885 rights issue shares and therefore 63.4% of the available rights issue shares were subscribed for by the PNH shareholders. PNH raised an additional N$103,444,792 through the PNH rights issue.

A total of 322,421 (2019: 1 142 827) share trades were recorded during the financial period. The share swap transaction and the rights issue concluded during the 2019 financial period contributed towards the liquidity of the shares. The total value of shares traded amounts to N$3.33 million (2019: N$12.5 million). The share price was 1 100 cents on 1 March 2019 and closed at 1,100 cents on 30 June 2020. A maiden interim dividend of 10c per ordinary share was declared on 19 May 2020, which translates to a total return of 1% for the period ended 30 June 2020. The subdued return on investment is mainly ascribed to the economic downturn emanating from the Covid-19 pandemic. The sell-off by investors due to financial pressures resulted in the decline of the local index.

At 30 June 2020 the share was trading at a premium of 0.92% (2019: 5.24%) to the net asset value per share. The decline from the prior year is mainly due to the additional investment into Paratus (51.4% to 100% shareholding), which increased the net asset value per share without the corresponding increase in the share price.

The graph below displays the share price movement compared to the net asset value per share since listing on 06 October 2017.

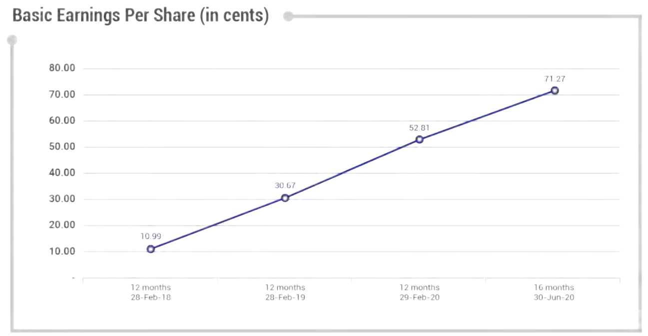


CORPORATE ACTIVITY DURING THE PERIOD UNDER REVIEW

On 3 July 2019 Paratus concluded a rights issue. In terms of the rights issue, the aggregate amount raised by Paratus amounted to N$50 million, which was contributed as share capital in Paratus, by PNH and Paratus Group Holdings Limited pro-rata to their respective shareholdings in Paratus on this date. The subscription price was N$1,053, consisting of a par value of N$5 and a premium of N$1,048.03 per ordinary share. PNH subscribed for 24,398 ordinary shares in Paratus, for a consideration of N$25.7 million, which resulted in no change in the effective percentage interest in the Company. The capital raised in Paratus was utilised towards the capital expenditure of N$100 million for the current financial period under review, ending 30 June 2020.

On 25 September 2019, the shareholders approved the implementation of the proposed share swap transaction, as a category 1 transaction together with an issue of new shares as consideration, in terms of the NSX listing requirements. Effective 1 January 2020, in terms of the swap, PNH acquired 46,168 ordinary shares in Paratus, resulting in an increased effective shareholding of PNH from 51.4% to 100% of the total issued ordinary shares in Paratus. From 1 January 2020, the financial results of Paratus are therefore consolidated into the PNH financial results.

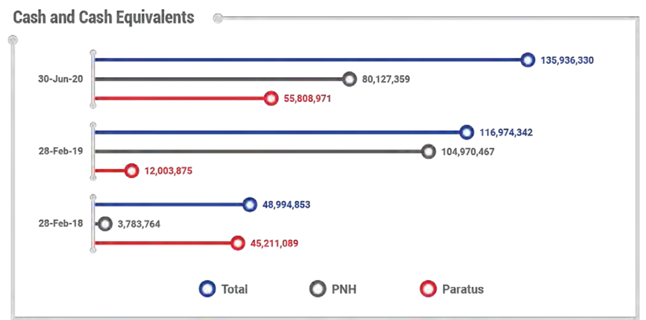
FINANCIAL PERFORMANCE



The Group's financial year end has changed from 28 February to 30 June each year. The current financial period, therefore, spans over a period of 16 months (2019: 12 months).

The associate (Paratus) contributed N$6.6 million (2019: N$4.6 million) profit after taxation, up to 31 December 2019, after which Paratus became a 100% subsidiary of PNH.

For the period February 2018 to February 2020 the compounded annual growth rate of the basic earnings per share is 69%. The growth in Basic Earnings Per Share (BEPS) exemplifies Paratus's earnings growth, despite the prolonged weak economic climate in Namibia. The earnings growth was mainly driven by revenue growth and improved operating margins stemming from the infrastructure roll-out strategy as well as cost management. The growth in BEPS from the end of the first financial reporting period has led to the implementation of the dividend policy and the resultant maiden interim dividend of 10c per ordinary share declared on 19 May 2020 and the final dividend of 10c per ordinary share declared on 22 September 2020.

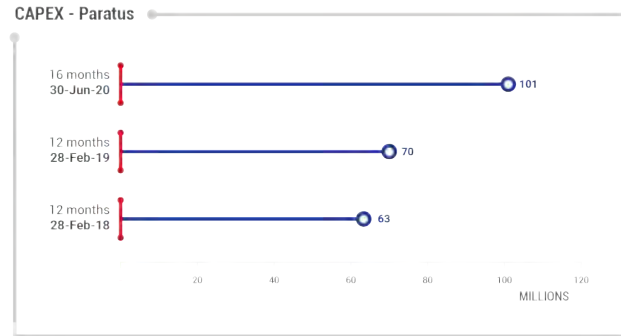


The graph above depicts the improvement of the cash position, which is attributable to the corporate activity during the 2018, 2019 and 2020 financial years.

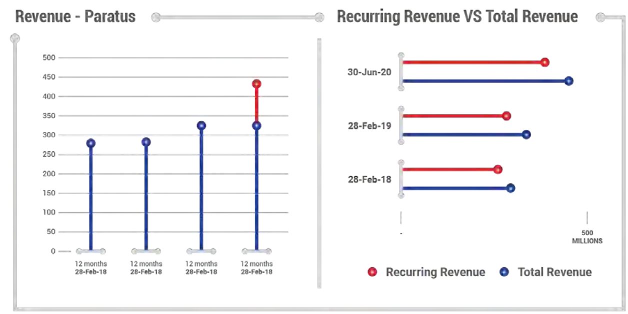
With the listing on 6 October 2017, PNH raised N$102.8 million. In the same year, PNH expended N$95 million cash to acquire the 26.5% holding in Paratus, hence the low cash balance in PNH at the end of the 2018 financial year. In the same year, Paratus received a cash injection of N$75 million due to the shares issued to PNH. This capital injection marked the beginning of Paratus's extensive infrastructure roll-out strategy.
On 20 July 2018 PNH completed a rights issue, which raised N$103 million capital, hence the increase in the cash position at the end of the 2019 financial year.

On 3 July 2019 Paratus concluded a rights issue and raised N$50 million, which improved the cash position in Paratus. PNH contributed N$25.7 million towards the rights issue, hence the decrease in PNH's cash position at the end of the 2020 financial year.

The Group is in a robust financial position with good liquidity, no material short-term refinancing requirements and resilient free cash flow generation. Paratus has a modest gearing ratio of 23.8% as at 30 June 2020 (including the impact of IFRS 16: Leases). Our capital allocation priority is to support investment in critical network infrastructure. The Cash and Cash equivalents indicated in the graph above includes the investment in money market funds, which are disclosed as "investments at fair value" in the financial statements.



Paratus continues its aggressive infrastructure rollout as evidenced by the CAPEX graph above. The highlights for the year include the progress made in terms of the mass fiber rollout project and the rollout of LTE in the major towns of Namibia. Paratus's aggressive infrastructure roll-out commenced during the 2018 financial year with the construction of the TKF line running between Swakopmund and Buitepos. The fiber line was completed during the 2019 financial year at a total cost of N$70 million. The 2021 capital expenditure budget makes provision for an additional investment of N$150 million in network infrastructure assets.

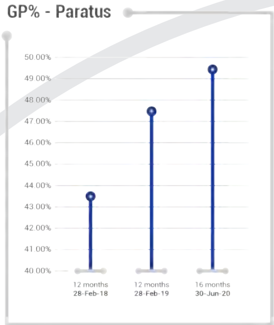


The compounded annual growth rate in revenue over the last 5 years is 18.3%. Revenue grew by 14% on a 12 months like-for-like basis and overall by 52% from the prior financial year. While the revenue growth was boosted by the once-off tender business, recurring revenue makes up more than 85% of total revenue. The growth in recurring revenue is mainly attributed to the product offering to the consumer market. The growth in consumer business has compensated for the decline in the enterprise business emanating from the weak local economy. The revenue growth is commendable given the prolonged depressed Namibian economy.

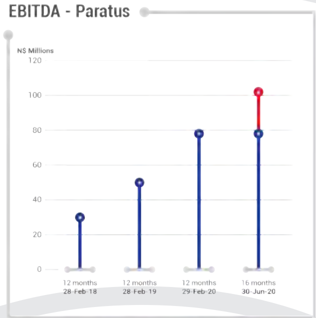
PARATUS NAMIBIA HOLDINGS LIMITED - INTEGRATED ANNUAL REPORT 2020

CHIEF FINANCIAL OFFICER'S REPORT

GP% - Paratus

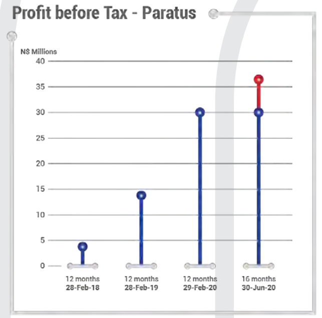


EBITDA - Paratus

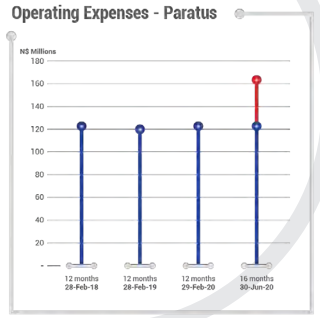


During the 2020 financial year, Paratus performed well, growing EBITDA organic by 53% on a 12 months like-for-like basis, while the increase over the 16 months is 104% to N$101 million. Paratus delivered net cash flow from operating activities of N$111 million. The EBITDA number mirrors the Company's ability to generate cash flows from operations. The disparity between profit after taxation and EBITDA stems from the large depreciation charges recorded on infrastructure deployed, which includes the impact of IFRS 16. The growth in the gross profit margin is due to the increased utilisation of Paratus-owned infrastructure replacing third-party infrastructure as well as the continued increase of customers on the existing infrastructure.

Profit before Tax - Paratus



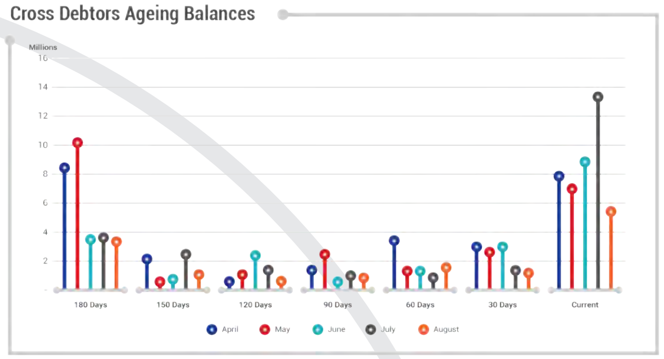
Operating Expenses - Paratus



For the 16 months ended 30 June 2020, the net profit before taxation amounts to N$36.7 million (2019: N$13.8 million). This represents a growth of 166%. On a 12 months like-for-like basis the net profit before tax increased by 117%.

During the 2019 financial year, management began a cost management programme to reduce operating cost to achieve industry-leading levels of efficiency, alongside improving network quality and the overall experience for our customers. The operating expenses on a 12 months like-for-like basis have remained flat at 4%, which is a significant achievement given the continued growth of the Company in terms of revenue and infrastructure deployed.

Cross Debtors Ageing Balances



On 11 March 2020, the World Health Organisation declared the Corona Virus Disease 2019 (COVID-19) outbreak a pandemic. The outbreak and efforts to contain it continue to have a significant effect on the consumer and enterprise markets.

The economic impact of the COVID-19 pandemic in our markets, whilst uncertain, is likely to be significant. Paratus's business model is more resilient than many other enterprises, but is not immune to the challenges. We experienced some churn on enterprise revenues particularly in the tourism sector, but have managed to grow revenue due to the additional revenue generated from the consumer market. The economic pressures may impact consumer revenue, however, there has been a significant increase in data volumes and customer loyalty, as our customers have high regard for the speed and reliability of our networks.

The recoverability of debtors is considered to be the area most significantly impacted by COVID-19. To mitigate the impact, we have been actively managing our customer base. The IFRS 9 provisions for bad debts recognised by the entity takes into account the known impact and the estimated future impact of COVID-19 on the recoverability of debtors. As is evidenced by the debtors ageing graph above, the debtor's book has been adequately managed with a continued reduction in +90day debtors both at and post year end. This speaks to the quality of debtors' book of Paratus and the internal controls related to this specific business process.

In terms of the Shareholders Agreement entered into between Paratus and PNH, the following solvency and liquidity requirements, as well as dividend policy, were provided for:

Solvency requirements:
Debt/asset ratio – 50% to 75% (for this ratio any Preference shares will be deemed to be debt)

Dividend policy:
A dividend payout policy of 50% of profit after tax has been adopted, subject to the capital requirements in the following year, working capital needs and other relevant factors. The Group is in a robust financial position with good liquidity, no material short-term refinancing requirements and with resilient free cash flow generation. Paratus has extensive capital deployment commitments into infrastructure for the 2021 financial year amounting to N$150 milion. The Board has declared a final dividend of 10 cents per share. The result is a full-year dividend of 20 cents per ordinary share. Our capital allocation priorities are to support investment in critical network infrastructure to create shareholder value.

LOOKING AHEAD

The domestic economy is expected to fall into a deeper contraction during 2020, before returning to positive growth in 2021. According to the Bank of Namibia's August 2020 Economic Outlook report, the domestic economy is projected to contract by 7.8% in 2020. The report also reflects a projected growth of 14.1% in the Information and Communication sector, which bodes well for future growth. The Group remains well placed to grow revenues due to the continued demand for reliable Internet coupled with the ongoing rollout of last-mile infrastructure.

For the 16 months ended 30 June 2020, Paratus delivered commendable revenue growth against the backdrop of a weak local and global economy. Although the enterprise business experienced churn during the last three months of the financial year, the growth in consumer business compensated for the decline in enterprise business.

For the 2021 financial year, a further N$150 million investment into infrastructure was approved by the Board. This investment will mainly be earmarked for Fiber-to-the-X (FTTx) rollout and will be funded by its cash resources. The directors are of opinion that the continued investment in infrastructure assets bodes well for both revenue growth and improved operating margins.

Pursuant to the cautionary announcement published on the Namibian Exchange News Service ("NENS") of the NSX dated 8 May 2020, with the renewal of cautionary announcement dated 25 June 2020 as well as on 6 August 2020, Paratus has entered a 15-year agreement with Blue Path Technology Company (Unlimited) and ZA Asset Management (Proprietary) Limited (collectively "Google"), to be the landing partner for the Equiano submarine cable in Namibia.

The bilateral agreement entails two facets, the first whereby Paratus acquires from ZA Asset Management (Proprietary) Limited unrestricted right to use the branch connecting Namibia to the Equiano submarine cable for own use, lease, resale or to use the relevant capacity for any legal purpose. The second being the exchange of services to be rendered by Paratus, with a total value of approximately N$260 million.

- The strategic importance of connecting Namibia to the Equiano submarine cable are as follows:
- Paratus will be selling branch capacity to other carriers in the region seeking to access trunk capacity on an Indefeasible Right of Use basis;
- Paratus will be in a position to provide true redundancy services to operators and carriers heavily reliant on WACS;
- The Equiano submarine cable via the Namibian Branch and TKF will be the shortest and fastest connection from Europe to Johannesburg, which will see increased demand for capacity on the Paratus-owned Trans Kalahari Fiber line connecting Swakopmund to Botswana and Zambia; and
- The fixed investment will allow Paratus to further reduce its cost of sales, thereby increasing the Company's profitability and driving down Internet costs to connect more Namibians.

The Board approved the construction of a Tier-3 data center in Windhoek with a total value of N$120 million (including the erf). The data center will be 1,300 square metres in size and will host 140 cabinets of which Google, as an anchor tenant, will occupy 50 cabinets.

The Board also approved the construction of the Cable Landing Station and Power Feeding Equipment totalling N$33 Million (including the erf). The Cable Landing Station consists of the building and other terminal facilities (active and passive) which is required to land the Equiano Submarine Cable System.

The capital expenditure projects are to be funded from operational cash flows, cash reserves and additional debt funding. Additional debt funding to the value of N$200 million has been approved to be raised on a listed programme of which N$80 million will be utilised to refinance existing debt at a lower interest rate. The remainder of the facility is to be used to finance the planned Data Center, Cable Landing Station and Power Feeding Equipment. The current low gearing of Paratus warrants additional debt funding. This strategy will optimise the capital structure through a reduced weighted average cost of capital.

Stefan de Bruin
Chief Financial Officer
4 December 2020

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CORPORATE GOVERNANCE AND RISK MANAGEMENT

CORPORATE GOVERNANCE

The Board is responsible for the overall conduct of the Group's businesses and for the establishment of a corporate governance framework that takes into account the best practice recommendations as set by the Audit, Risk and Compliance ("ARC") Committee, the Companies Act 28 of 2004, the Namibian Code ("NamCode") report and the NSX Listings Requirements.

The Board of directors of PNH fully subscribes to the principles of good corporate governance and regards these as fundamentally important to the business success and sustainability of the Group.

BOARD CHARTER

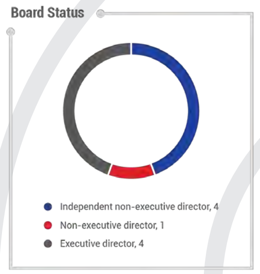
The board charter provides guidelines to directors in respect of, inter alia, the Board's responsibilities, authority, composition, procedures, meetings and the need for performance evaluations. The board charter also provides for a clear division of responsibilities to ensure a balance of power and authority to ensure that no single director has unfettered powers of decision-making.

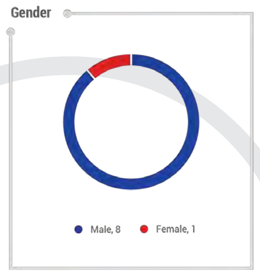
During the period the subsidiary companies within the Group revoked their board charters and adopted the charter of the holding company, PNH.

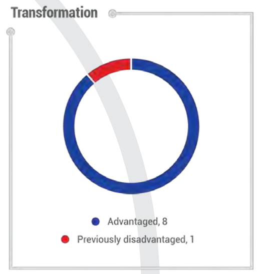
COMPOSITION OF THE BOARD OF DIRECTORS [1]

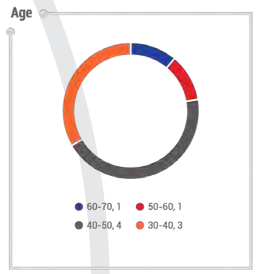
The Company and Group has a Board which is diverse in terms of race, gender, business skills, experience and tenure.

This diversity provides for robust discussion and assists in reaching decisions which are considered and appropriately reflect the strategic objectives of the Company and Group, its resources and the financial and operational targets to be established, measured and managed.









[1] The demographics of the Board excludes Brown Amuenje who retired 25 September 2019 and Rolf Mendelsohn who serves as an alternate director to Bartholomeus Harmse.

The Board subscribes to a unitary board structure with a balance of executive and non-executive directors. The Board of directors will at all times be a majority of non-executive directors, the majority of whom must be independent as defined in NamCode.

The chairperson of the Board is an independent non-executive director. The chairperson will be appointed on an annual basis and will be responsible for the effective leadership of the Board. The chairperson, together with the Board, will consider the number of outside chairpersonships held and the Board will ensure a proper succession plan for the position of chairperson.

The Managing Director ("MD"), Group Chief Executive Officer ("CEO"), Group Chief Financial Officer ("CFO") and Group Chief Operations Officer ("COO") are ex officio members of the Board.

There is a clear division of responsibilities between the executive responsibility for the running of the business and the leadership of the Board, such that no one individual has unfettered powers of decision-making.

The Remuneration and Nomination Committee ("REMCOM") of the Board will assist with the identification of suitable candidates for appointment to the Board and to board committees. Directors appointed by the Board based on the recommendation of the REMCOM will stand down at the first annual general meeting of shareholders following such appointment and may offer themselves for re-election.

The Board will on an annual basis consider its size, diversity, demographics and skills requirements as part of the assessment of the Board and directors' performance.

At least one third of the non-executive directors will retire by rotation on an annual basis.

The independence of all independent non-executive directors will be assessed on an annual basis with a specific focus on the independence of independent non-executive directors who have served for more than 6 (six) years and the outcome of such assessments will be reported on in the Integrated Annual Report.

Upon the completion of the share swap transaction whereby PNH increased its shareholding from 51.4% to 100% in Paratus, the Board composition was reviewed and the directors of PNH and Paratus were aligned to create mirror boards for both entities.

The directors at date of this report are:

Director	Date appointed	Status
Hans-Bruno Gerdes	08 August 2017	Independent non-executive director, Chairperson
Brown Amuenje (1)	08 August 2017	Independent non-executive director
Stuart Birch (2)	08 August 2017	Independent non-executive director
Romé Mostert	30 June 2017	Independent non-executive director
Josephine Shikongo	08 August 2017	Independent non-executive director
Jaco Esterhuyse (2)	23 May 2018	Non-executive director
Stefan de Bruin	08 August 2017	Group Chief Financial Officer, Executive director
Schalk Erasmus	08 August 2017	Group Chief Operations Officer, Executive director
Bartholomeus Harmse	25 September 2019	Group Chief Executive Officer, Executive director
Rolf Mendelsohn (3)	25 September 2019	Group Chief Technology Officer, Executive director
Andrew Hall	25 September 2019	Managing Director: Namibia, Executive director

(1) retired effective 25 September 2019
(2) South African
(3) alternate director to Bartholomeus Harmse

RETIREMENT BY ROTATION OF BOARD MEMBERS

In accordance with the Articles of Association, one-third of non-executive directors are subject to retirement by rotation.

In this regard the Board resolved that the two most senior non-executive board members are to retire annually. Seniority is determined by the date of appointment. Where more than one director was appointed on the same day, the director who is older is deemed to be more senior.

Josephine Shikongo and Jaco Esterhuyse shall retire at the annual general meeting. Both are eligible for re-election and nominated as such.

CORPORATE GOVERNANCE

ROLE AND FUNCTION OF THE BOARD

- As its primary function, the Board is responsible to determine the strategic direction and to exercise prudent control over the Company and/or Group and its affairs.

- The Board and the individual directors will at all times act in the best interest of the Company and/or Group and adhere to all relevant legal standards of conduct.

- The Board serves as the focal point and custodian of corporate governance in the Group and exercises its leadership role by:

    - steering the group and setting its strategic direction;
    - approving policy and planning that give effect to the direction provided;
    - overseeing and monitoring of implementation and execution by management; and
    - ensuring accountability for performance by means of, among others, reporting and disclosure.

- The Board appointed the MD, CEO, CFO and COO and formally evaluate the performance of such officers annually against agreed performance measures and targets. The Board satisfies itself that there is succession planning for the MD, CEO, CFO and COO (emergency situations and succession over the longer term) and periodically review these plans. In addition, the Board, via the REMCOM, provides input regarding senior management appointments, remuneration and succession plans.

- The Board approves and annually reviews a delegation of authority framework that articulates its set direction on reservation and delegation of power. The Board oversees that key management functions are headed by an individual with the necessary competence and authority and are adequately resourced.

- The Board implemented a formal governance framework in respect of subsidiary companies and other related entities in the Group.

- The Board, with the support and guidance of the REMCOM, adopted remuneration policies that are fair, responsible and aligned with the strategy of the Company and/or Group while linked to individual performance. A remuneration report is included in the Integrated Annual Report and the remuneration policy and implementation report shall be submitted to shareholders annually for a non-binding, advisory vote.

RESPONSIBILITIES OF INDIVIDUAL DIRECTORS

- In fulfilling due responsibility to the Company and/or Group, a director will at all times:

    - act in the best interest of the Company and/or Group, in good faith and with integrity and adhere to all relevant legal standards of conduct;
    - conduct themself in a professional manner;
    - avoid any conflict of interest between their personal affairs and that of the Company and/or Group or, where unavoidable, in writing disclose any such conflict or potential conflict;
    - disclose any information that they may be aware of that is material to the Company and/or Group and which the Board is not aware of, unless such director is bound by ethical or contractual obligations of non-disclosure;
    - only use their powers for the purposes for which they were conferred and not to gain an advantage for themself or a third party or to harm the Company and/or Group in any way;
    - only act within their powers as formally delegated by the Board;
    - keep all information learned in his capacity as a director strictly confidential;
    - use their best endeavours to attend Board and relevant Board committee meetings where at all possible and devote appropriate preparation time ahead of each meeting to ensure that they are in a position to contribute to board and committee discussions and to make informed decisions on matters placed before the Board or Board committee;
    - exhibit the degree of skill and care as may be reasonably expected from a person of their skill and experience, but also exercise both the care and skill any reasonable person would be expected to show in looking after their own affairs; and
    - actively participate in and contribute to board deliberations in a constructive and frank manner under the leadership and guidance of the chairperson.

- Individual directors will be expected to participate in the induction programme of the Company and/or Group on appointment and attend such professional development programmes as deemed necessary by the chairperson based on the outcome of the annual assessment of the director's performance.

- Directors who are not able to attend a meeting of the Board must submit a formal written apology, with reasons, to the chairperson or Company Secretary prior to the relevant meeting.

- The directors are entitled to have access, at reasonable times, to all relevant Company and/or Group information and to management. Such access shall be arranged through the chairperson of the Board or the Chief Executive Officer.

DEVELOPMENT OF DIRECTORS

A formal induction programme will be in place for new directors who will also be provided with a letter of appointment. Inexperienced directors will be assisted, with the guidance of the chairperson, to participate in mentoring programmes where available. The need for continuing professional development programmes will be identified as part of the annual assessment of the performance of the directors.

Directors will be provided with regular briefings on changes in risks, laws and the environment but will also be expected to keep abreast of developments in the business environment and markets that may have a material impact on the business.

As part of the succession policy of the Board, suitably qualified candidates can be appointed as members of board committees so as to ensure that such candidates obtain sufficient exposure and experience.

BOARD PROCEDURES AND POLICIES

The Board adopted the below policies and procedures to ensure proper governance in the management of its affairs:

Conflicts of interest: The Board adopted a formal Code of Conduct and Conflicts of Interest Policy in terms of which conflicts are defined and appropriate procedures for dealing with conflicts are prescribed. Directors are at liberty to accept other board appointments as long as the appointment does not conflict with the business of the Company and/or Group and does not detrimentally affect the director's performance as a director on the Board of PNH.

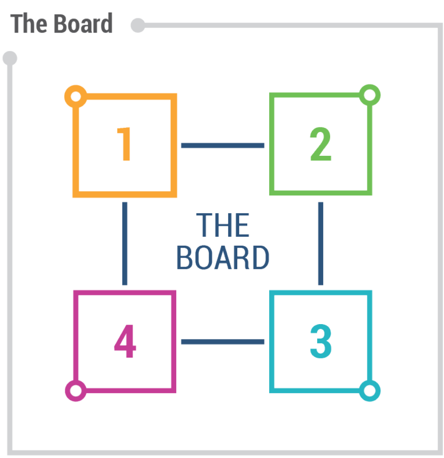
Trading in company equities: The Board adopted and approved a formal procedure to regulate the trading by directors, officers and senior management in the Company's equities.

Dissemination of company information: The Board approved a policy in respect of the dissemination of Company and/or Group information in order to regulate the circulation of price sensitive information and to ensure equal treatment of all shareholders.

BOARD COMMITTEES

The Board has delegated certain of its functions to well-structured committees but without abdicating its own responsibilities.

As a minimum, the Board has established an Audit, Risk and Compliance Committee ("ARC"), Investment Committee ("IC") and a Remuneration and Nomination Committee ("REMCOM")



- Investment Committee (Read more on page 58)
- Audit, Risk and Compliance Committee (Read more on pages 60 to 63)
- Remuneration and Nomination Committee (Read more on pages 64 to 67)
- Executive Committee

Each board committee, as established by the Board, has a committee charter approved by the Board and is reviewed annually. The committees are appropriately constituted with due regard to the skills required by each committee.

Each of these committees are chaired by an independent non-executive director or by a suitably qualified non-executive committee member and the majority of committee members are independent non-executive directors.

Refer to separate committee reports on pages 58 to 67 for more information on each of the committees.

The table below depicts the composition of the Board committees:

Director	ARC	REMCOM	IC
Hans-Bruno Gerdes	✓	✓	
Brown Amuenje (1)	✓	✓	CP
Stuart Birch (2)			✓
Jaco Esterhuyse (2)	CP		CP
Romé Mostert (3)		CP	✓
Josephine Shikongo (4)	✓	✓	

CP chairperson of committee
✓ member
(1) retired effective 25 September 2019
(2) South African
(3) appointed to the Investment Committee effective 19 November 2019
(4) retired from Investment Committee effective 19 November 2019

CORPORATE GOVERNANCE

BOARD MEETING ATTENDANCE FOR THE YEAR

The Board held sufficient meetings during the year to discharge all its duties. The agendas of the meetings covered the annual work plan and all relevant matters, as set out in the charter. Open and constructive discussions assisted the Board in reaching appropriate decisions.

Board meetings conducted via telephone or electronic communication are permitted and all concerned could actively participate in the meeting. Directors participating via these facilities were counted for quorum purposes.

The table below depicts the Board meeting attendance during the period:

Director	19 May 2020	20 February 2020	19 November 2019	30 August 2019	10 July 2019
Hans-Bruno Gerdes	✓	Apologies	✓	✓	✓
Brown Amuenje (1)					✓
Stuart Birch	✓	✓	✓	✓	✓
Jaco Esterhuyse	✓	✓	✓	Apologies	Apologies
Bartholomeus Harmse (4)	✓	✓	✓		
Rolf Mendelsohn (2) (4)			✓		
Romé Mostert	✓	✓	Apologies	✓	✓
Josephine Shikongo (3)	✓	✓	✓	✓	✓
Stefan de Bruin	✓	✓	✓	✓	✓
Schalk Erasmus	✓	✓	✓	Apologies	Apologies
Andrew Hall (4)	✓	✓	✓		

✓ present
(1) retired effective 25 September 2019
(2) alternate director to Bartholomeus Harmse
(3) chaired the meeting of 20 February 2020
(4) appointed 25 September 2019

PERFORMANCE EVALUATION OF BOARD AND COMMITTEES

A regular assessment of the performance of the Board, chairperson, individual directors and board committees will be done.

COMPANY SECRETARY

Cronjé Secretarial Services (Pty) Ltd is the company secretary, represented by Mr. Christiaan Cronjé, Carmen Strauss and Ms. Katherine Amakali, duly appointed by the Board in accordance with the Companies Act. The Board considered and is satisfied that the individuals who perform the company secretary role, are properly qualified and have the requisite knowledge, skills and experience to competently fulfil the function of company secretary.

The representatives of the company secretary are not directors of the Company and/or Group.

The Board empowers the company secretary to enable it to properly fulfil its duties.

NAMCODE REVIEW

The Board is committed to effective corporate governance, and the need to conduct the business of the Group in a manner which upholds the principles of responsibility, accountability, fairness and transparency advocated by the NamCode.

The review of the NamCode is done on a "comply or explain" basis.

Where items are indicated as applied, the Board evaluated and concluded that PNH complies with all requirements. Items indicated as partially applied, indicates that not all aspects as recommended by the NamCode were complied with.

PRINCIPLE	STATUS	COMMENTS
1. ETHICAL LEADERSHIP AND CORPORATE CITIZENSHIP		
1. Ethical leadership and corporate citizenship	APPLIED	
2. BOARD OF DIRECTORS	**PARTIALLY APPLIED**	
2.10 The Board should ensure that there is an effective risk-based internal audit	EXPLAIN	The ARC will review the necessity of an internal audit function taking into consideration the size of the Company and/or Group and risk areas identified by the external auditors. Paratus has a fully functional Revenue Assurance department. The Board may decide to outsource this function to address specified risk areas.
2.13 The Board should report on the effectiveness of the Company's system of internal controls	EXPLAIN	The ARC will provide the Board with assurance on the effectiveness of the internal control framework, which will be developed over time.
3. AUDIT COMMITTEES	**PARTIALLY APPLIED**	
3.3 The audit committee should be chaired by an independent non-executive director	EXPLAIN	The ARC is chaired by a non-executive director who is representing a major shareholder of PNH.
3.7 The audit committee should be responsible for overseeing any internal audit function	EXPLAIN	Please refer to principle 2.10. above.
4.THE GOVERNANCE OF RISK	**PARTIALLY APPLIED**	
4.2 The Board should determine the levels of risk tolerance	EXPLAIN	It is intended that specific limits be set annually at the ARC meeting which limits will be approved by the Board. These limits will take account of both external and internal risk factors.
4.6 The Board should ensure that frameworks and methodologies are implemented to increase the probability of anticipating unpredictable risks	EXPLAIN	The ARC will be responsible for the implementation of these frameworks and methodologies.
5.THE GOVERNANCE OF INFORMATION TECHNOLOGY (IT)	**APPLIED**	
6.COMPLIANCE WITH LAWS, RULES, CODES AND STANDARDS	**APPLIED**	
7.INTERNAL AUDIT	**PARTIALLY APPLIED**	
7.1. to 7.5. Principles dealing with internal audit	EXPLAIN	Please refer to principle 2.10. above.
8. GOVERNING STAKEHOLDER RELATIONSHIPS	**APPLIED**	
9. INTEGRATED REPORTING AND DISCLOSURE	**APPLIED**	

INVESTMENT COMMITTEE

The Investment Committee ("IC") is appointed by the Board.

TERMS OF REFERENCE

The committee has adopted a formal charter, approved by the Board, which inform its agenda and work plan to ensure that all the committee's responsibilities are addressed in each financial period.

MEMBERS AND ATTENDANCE AT MEETINGS

This committee shall meet as required.

The meetings and the attendance by the members are detailed below:

Director	13 May 2020	12 March 2020	4 July 2019	8 May 2019	2 May 2019
Brown Amuenje (1)			✔	✔	✔
Jaco Esterhuyse (Chairperson)	✔	✔	✔	✔	✔
Josephine Shikongo			✔	✔	✔
Stuart Birch	✔	✔	✔	✔	✔
Heinrich Jansen van Vuuren (2)	✔	✔			
Romé Mostert (3)	✔	✔			

✔ present
(1) retired effective 25 September 2019
(2) appointed to the committee, as member, effective 19 November 2019
(3) appointed to the committee effective 19 November 2019

COMPOSITION

The committee is constituted as a committee of the Board of directors. The duties and responsibilities of the members of the committee are in addition to those as members of the Board.

The committee comprises of at least three non-executive directors and/or other suitably qualified person(s) appointed by the Board. A majority of the members of the committee shall be independent non-executive directors.

The deliberations of the committee do not reduce the individual and collective responsibilities of the Board members with regard to their fiduciary duties and responsibilities, and they must continue to exercise due care and judgement in accordance with their statutory obligations. The members of the committee as a whole have sufficient qualifications and experience to fulfil their duties.

ROLE AND RESPONSIBILITIES

The committee has an independent role, operating as an overseer and makes recommendations to the Board for their consideration and final approval. The committee does not assume the functions of management, which remain the responsibility of the executive directors, officers and other members of senior management.

The committee is responsible for:

- setting criteria and targets for investments;
- advising on and/or effecting disposals, acquisitions and developments within the approved investment policy and authority limits;
- developing and recommending sustainability practices for the Company and Group.

The committee has the authority to approve expenditure relating to potential transactions, disposals and/or acquisitions.

KEY FOCUS AREA FOR 2021

The committee will continue to consider investment opportunities for the Group within its defined strategic investment objectives.

STATEMENT BY THE COMMITTEE

The committee executed its duties during the year, in line with its roles and responsibilities as outlined above. More information on the various projects undertaken during the period can be found under the "Overview" section of the Integrated Annual Report set out on pages 14 to 31.

Jaco Esterhuyse
Chairperson - Audit, Risk & Compliance Committee
4 December 2020

AUDIT, RISK AND COMPLIANCE COMMITTEE

The Audit, Risk and Compliance ("ARC") Committee is constituted as a committee of the Board of directors. The ARC is appointed for a three-year term. The duties and responsibilities of the members of the committee are in addition to those as members of the Board.

TERMS OF REFERENCE
The committee has adopted a formal charter, approved by the Board, which inform its agenda and work plan to ensure that all the responsibilities of the committee are addressed in each financial period.

MEMBERS AND ATTENDANCE AT MEETINGS
The meetings and the attendance by the members are detailed below. In accordance with the charter adopted, the committee should meet at least twice per annum.

Director	12 May 2020	6 November 2019	9 May 2019
Jaco Esterhuyse (Chairperson)	✓	Apologies	✓
Hans-Bruno Gerdes	✓	✓	✓
Heinrich Jansen van Vuuren (1)	✓		
Brown Amuenje (2)			Apologies
Josephine Shikongo	✓	✓	✓

✓ present
1 appointed to the committee, as member, effective 19 November 2019
2 retired effective 25 September 2019

COMPOSITION
The committee comprises of at least three members. The Chairperson of the committee is appointed by the Board. Jaco Esterhuyse, a non-executive director, appointed chairperson and not chair of the Board, is specifically approved by the Board.

The chairperson of the committee understands the function of the ARC and is able to lead constructive dialogue with management, the internal and external auditors, other external assurance providers and the Board. The chairperson is afforded sufficient time to participate in and agree the committee agenda before meetings are convened.

Members of the committee satisfy the requirements to serve as members of an ARC, have a basic level of qualification and experience and collectively have adequate knowledge and experience, to the Company and Group's size and circumstances, as well as its industry, to carry out their duties.

The committee is responsible to oversee the integrated reporting and this committee, collectively, have an understanding of International Financial Reporting Standards ("IFRS") and other financial or sustainability reporting standards, regulations or guidelines applicable to the Company and Group.

SCOPE AND RESPONSIBILITIES
The roles and responsibilities include, but are not limited to:

- review of internal controls and systems;
- monitoring that decisions taken by the Board affecting the committee is followed through;
- monitoring compliance with the Articles of Association, NSX Listings Requirements, Companies Act and Nam Code on corporate governance and other applicable legislation;
- review the audit management letter;
- recommend letters of representation and other documentation for Board approval;
- recommend approval of annual reports and interim results to Board;
- recommend approval of annual budgets to Board;
- recommend approval of NSX announcements to Board;
- agree and recommend accounting policies to Board;
- reporting to Board on proceedings of the committee;
- monitor the corporate risk assessment process;
- monitor the financial risk assessment process and the committee must review:
  - financial risks;
  - internal financial controls;
  - fraud risk as they relate to financial reporting;
  - IT risk as they relate to financial reporting; and
  - reporting to the NSX in the annual NSX compliance, that the committee has monitored compliance during the year concerned;
- consider problems identified in the going concern assumption;
- consider the appropriateness and disclosure of related party transactions;
- the committee oversees integrated reporting;
  - have reasonable regard to all material factors and risks that may impact on the integrity of the Integrated Annual Report;
  - review the financial statements, interim reports, preliminary or provisional results announcement, summarised integrated information, any other intended release of price-sensitive information and prospectuses, trading statements and similar documents;
- the committee ensures that a combined assurance model is applied to provide a coordinated approach to all assurance activities;
- the committee satisfies itself of the expertise, resources and experience of the finance function of the Company and Group; and
- the committee shall be responsible for overseeing any internal audit function, once such function is in place

EXTERNAL AUDIT
As regards External Audit, the committee:

- is satisfied with their independence especially where non-audit services are performed;
- agreed the principles with the external auditors without limiting their statutory obligations;
- decided on the extent of external verification of non-financial information;
- decided on the external review of interim results; and
- recommends that PricewaterhouseCoopers ("PWC") be re-appointed for the financial year ending 30 June 2021 and has overseen the external audit process; and
- recommended the proposed audit fees by the external auditors to the Board during May 2020.

The external auditor attended all committee meetings and has unfettered access to the ARC chairperson and the Board.

INTERNAL AUDIT
The Company and Group has not yet appointed an internal auditor and thus have not performed an internal audit.

The committee will review the necessity of an internal audit function taking into consideration the size of the Company and/or Group.

The Board may decide to outsource this function to address specified risk areas.

INTERNAL CONTROL
These financial statements support the viability, accountability and effective internal control processes of PNH.

The system of internal financial and operational control is the responsibility of the Board. Management ensure that assets are protected, systems operate effectively, and all valid transactions are recorded properly.

Risks and controls are reviewed and monitored regularly for relevance and effectiveness. Internal controls are designed to mitigate and not to eliminate significant risks faced. Such a system provides reasonable but not absolute assurance against error, omission, misstatement or loss. This is achieved through a combination of risk identification, evaluation and monitoring processes, appropriate decision-making, assurance and control functions such as risk management and compliance.

Based on reviews, information and explanations given by management and discussions with the external auditors on the results of their audit, the committee is satisfied that the system of internal controls of PNH operated effectively in the year under review. Nothing has come to the committee's attention that causes it to believe that the system of internal financial controls is not effective.

FINANCE FUNCTION
The committee has reviewed the financial statements of the Company and Group and is satisfied that they comply with IFRS.

The external auditor has expressed an opinion on the financial statements for the period ended June 2020, refer to page 71.

The committee is satisfied that Stefan de Bruin, the CFO for the financial period ended 30 June 2020, has the appropriate expertise and experience to meet his responsibilities in the position. The expertise, experience and adequacy of the resources making up the finance function were also considered, and the committee is satisfied that these are appropriate.

AUDIT, RISK AND COMPLIANCE COMMITTEE

GOING CONCERN
The committee has reviewed a documented assessment, including key assumptions prepared by Management, of the going concern status of the Company and Group. The committee, reported to the Board that it supports management's view that the Company and Group will continue as a going concern for the foreseeable future. The going concern basis has been adopted in preparing the financial statements.

COMPLIANCE GOVERNANCE
The committee is responsible for the compliance with applicable laws, rules, codes and standards. All of the laws, codes and standards applicable to PNH have been identified and the responsibility for implementing compliance has been delegated to management.

RISK MANAGEMENT
The Board affirms its responsibility towards upholding risk management, including the governance of technology and information. The governance model reflects both business and IT requirements, focusing on strategic alignment, value delivery, risk management (including information security, resilience, as well as legislative, health and safety compliance), resource management and performance management. The committee assists the Board in carrying out its responsibilities for risk management, including risk appetite and IT risk.

Management is accountable to the Board, through the committee, for:
- the implementation of the risk frameworks and methodologies and the recommendation for approval thereof to the Board;
- embedding the risk management process in the business;
- regularly provide the committee with a register of the Company and Group's key risks and potential material
- risk exposures; and
- reports to the Board any material changes and/or divergence to the risk profile of the Company and Group.

Management is also accountable for the following key matters specifically related to IT risk:
- IT strategy;
- IT policy;
- IT reference architecture;
- IT organisational and governance structures;
- IT risk management inclusive of information security/cybersecurity;
- Strategic projects;
- Significant outsourcing; and
- Adequacy of IT resources.

The committee is satisfied with the progress made with respect to the risk assessment and risk management process and the effectiveness thereof.

Risk universe:
Risks identified are classified under one of the 10 risk categories. Below graph depicts the risk universe of PNH.

Key risks:
The material risks identified below have emerged from the analysis and understanding of the strategic direction of each of the underlying entities.

KEY RISK	RISK CATEGORY	POST MITIGATING ACTIONS	RESPONSIBILITY
No automatic renewal of Government business	Client contractual risk	HIGH	EXCO
Local Authority	Legal Risk	HIGH	EXCO

Litigation:

Court Case	Nature of Proceedings and status
Paratus Telecommunications (Proprietary) Limited //Municipal Council of the City of Windhoek and CRAN	Paratus brought a successful application seeking the High Court to prohibit the City of Windhoek from preventing Paratus to exercise its rights and obligations in terms of section 69 of the Communications Act. The matter has been appealed by City of Windhoek and is now pending finalisation before the Supreme Court.

INTEGRATED ANNUAL REPORT
Following the review by the committee of the consolidated and separate financial statements of PNH for the period ended 30 June 2020, the committee is of the view that, in all material respects, the Company and Group complies with the relevant provisions of the Companies Act and IFRS and fairly presents the consolidated and separate financial position at that date and the results of operations and cash flows for the period then ended of PNH.

The committee has also satisfied itself of the integrity of the remainder of the Integrated Annual Report. Having achieved its objectives, the committee has recommended the Integrated Annual Report for the period ended 30 June 2020 for approval to the Board.

STATEMENT BY THE COMMITTEE
The Audit, Risk and Compliance Committee considers that it has adequately performed its functions in terms of its mandate, the NamCode and the Companies Act.

Jaco Esterhuyse
Chairperson - Audit, Risk & Compliance Committee
4 December 2020

REMUNERATION AND NOMINATION COMMITTEE

The Remuneration and Nomination Committee ("REMCOM") is constituted as a sub-committee of the Board of directors.

TERMS OF REFERENCE

The REMCOM has adopted a formal charter, approved by the Board, which inform its agenda and work plan to allow for the specific responsibilities to be discharged by committee members collectively.

MEMBERS AND ATTENDANCE AT MEETINGS

The REMCOM met at least twice per annum as required, in accordance with the charter adopted.

Director	29 January 2020	29 July 2019
Josephine Shikongo	✔	✔
Hans-Bruno Gerdes	✔	✔
Brown Amuenje (1)		Apologies
Romé Mostert (2) (Chairperson)	✔	

✔ present
1 retired effective 25 September 2019
2 appointed to committee effective 19 November 2019. Chaired meeting of 29 January 2020.

COMPOSITION

The committee comprises of at least three non-executive directors and/or other suitably qualified person(s) appointed by the Board, a majority of whom are independent non-executive directors.

The duties and responsibilities of the members of the committee are in addition to those as members of the Board.

The deliberations of the committee do not reduce the individual and collective responsibilities of the Board members in regard to their fiduciary duties and responsibilities, and they must continue to exercise due care and judgement in accordance with their statutory obligations.

The committee has an independent role, operating as overseer and formulator of recommendations to the Board for their consideration and final approval.

The members of the committee have sufficient qualifications and experience to fulfil their duties.

ROLE AND RESPONSIBILITIES

Remuneration and Nomination:

The committee assists the Board to ensure that:

- the directors and executives are fairly and responsibly remunerated;
- the disclosure of directors' remuneration is accurate, complete and transparent;
- the overall remuneration philosophy promotes the achievement of the strategic objectives;
- the Board has the appropriate composition to execute its duties effectively;
- directors are appointed through a formal process; and
- formal succession plans for the members of the Board, Chief Executive Officer and senior management appointments are in place.

Committee responsibilities:

- the Executive Committee ("EXCO") of Paratus is responsible for the review of employee salaries (excluding the Paratus EXCO) and proposes adjustments to its REMCOM on an annual basis (PNH EXCO is tasked with providing a high-level report to REMCOM with proposals as to annual salary increases of the Paratus employees);
- approve annual increases of EXCO;
- approve new year performance contracts in conjunction with Board approved strategy (EXCO);
- assess performance (EXCO);
- selects an appropriate peer group when comparing remuneration levels;
- consider candidates and recommend appointments to Board (EXCO);
- consider candidates and recommend appointments to Board (all Board members);
- finalise employment contracts (EXCO);
- recommend non-executive directors' fees to the Board;
- recommend company secretary fees to the Board;
- consider Board composition for recommendations to the Board;
- assess committee compliance with its charter and report to the Board; and
- oversees the preparation of the remuneration report included in the Integrated Annual Report to ensure that it is accurate, complete, transparent, and provides a clear explanation of how the remuneration policy has been implemented.

In addition to the above, the committee recognised the need for specialist skills in the Group, in order to achieve of the strategic objectives, and in light of thereof, the Group is in the process of implementing an apprenticeship programme to address the shortage of skilled resources.

Social and Ethics:

- Monitoring the Company's activities, having regard to relevant legislation and other legal requirements or prevailing codes of best practice.

REMUNERATION REPORT

It is our belief that all factors which underpin enhanced performance require the highest caliber of leadership and specialist technical expertise, and that stakeholders' interests are best served by aligning strategy, the business model, the structure, staffing and compensation.

Attracting and retaining high-caliber talent depends on providing both intrinsic and extrinsic rewards. To complement this, compensation policies are directed at sustaining a performance-driven culture.

This remuneration report focuses on the fixed and variable elements of the prescribed officers' remuneration and fees paid to non-executive directors. This is in keeping with the commitment to fair, responsible, and transparent remuneration and remuneration disclosure.

PART 1: OVERVIEW OF REMUNERATION POLICY AND AGREEMENTS

The remuneration philosophy and policy are key components of the HR strategy and govern the remuneration of executive management (executive directors and prescribed officers), non-executive directors and other employees and fully support the overall business strategy. They establish fair and equitable reward levels that attract, motivate, retain and engage the desired talent to execute business strategy in a sustainable manner over the long-term.

Our remuneration structure:

- remuneration of executive directors and executive management are reviewed after consideration of:
  - the annual PWC South Africa report on executive directors' remuneration practices and trends; and
  - norms of director's remuneration in Namibia;
- salaries structured on a cost to company basis;
- annual reviews effective from 1 November each year.

Training:

Paratus has subscribed to a well-known online training platform, which provides a wide range of training opportunities to its members. Paratus strives to develop its employees by setting goal-orientated training in line with the career development goals of its employee utilising the vast training programs available through the platform.

Performance incentives:

Paratus believes in adequately rewarding employees for their contribution to the overall success of the Company.

Profit share incentive:

Executive management and management participate in the profit share incentive. The profit share incentive pool is derived from the portion of the after-tax profits exceeding the approved budget.

Employees	Incentive
Executive management	• 10% of the available bonus pool is to be allocated to the executive management only • the maximum incentive amount for executive management is limited to 110% of total cost to company for one month.
Management	• A manager's performance appraisal should achieve at least a "meet expectation" rating, failing which the manager will be barred from earning a profit share incentive • The maximum incentive amount for Management is limited to 100% of total cost to company for one month.

Performance bonus:

All staff participate in the performance bonus and is payable when Paratus meets the approved budget. The performance bonus is equivalent to a 13th cheque and is payable in December.

AGREEMENTS

Employment agreements

Upon the completion of the share swap transaction whereby PNH increased its shareholding from 51.4% to 100% in Paratus, the employment agreements with executive directors, Schalk Leipoldt Van Zyl Erasmus, Stefanus Isaias de Bruin and Morné Romé Mostert were terminated effective 1 January 2020. Mr de Bruin and Mr Erasmus continue to be full time employees of Paratus as CFO and COO respectively.

Mr Andrew Hall assumed the role of Managing Director of PNH effective 25 September 2019.

Management agreement

The Management agreement was terminated upon the completion of share swap transaction. For the period before termination the Management fee was a quarterly fee, calculated as one quarter of 0.5% of the total value of all the assets acquired or invested in by PNH from time to time (excluding the investment in Paratus), being the fair value thereof or cost thereof, whichever is the highest, but excluding the Total Subscription Value still held in cash or in an Escrow Account of PNH at each Quarter Date. The fee was payable on the last day of each quarter.

An amount of N$35,650 per month was paid to the Manager, until the termination of the Management agreement. The fee was paid for management and accounting services and included recoveries for software and other disbursements.

Investment agreement

Prior to the completion of the share swap transaction and the termination of the Investment agreement, Cirrus was entitled to 1.25% on transactions successfully completed, 1.25% on equity capital raised and a fee ranging 0.35% to 1% on debt capital raised.

REMUNERATION AND NOMINATION COMMITTEE

PART 2: IMPLEMENTATION REPORT

NON-EXECUTIVE DIRECTORS' FEES FOR THE 2020 FINANCIAL PERIOD

Non-executive directors will earn a sitting fee for attending Board meetings, proportional to their responsibility and duties at and related to the meeting. Further, non-executive directors will also earn sitting fees for serving on committees of the Board. The actual fees paid to non-executive directors during the 2020 financial period are as follows:

Director	Board Attendance fees N$	ARC Attendance fees N$	IC Attendance fees N$	REMCOM Attendance fees N$	TOTAL Attendance fees N$
Hans-Bruno Gerdes (Chairperson of the board)	195,000	39,000	-	24,000	258,000
Brown Amuenje (1)	55,000	-	45,000	12,000	112,000
Stuart Birch	165,000	-	48,000	-	213,000
Jaco Esterhuyse	165,000	42,000	66,000	-	273,000
Josephine Shikongo	165,000	36,000	36,000	27,000	264,000
Heinrich Jansen van Vuuren (2)	-	12,000	24,000	-	36,000
Romé Mostert (3)	82,500	-	24,000	15,000	121,500
Total	**827,500**	**129,000**	**243,000**	**78,000**	**1,277,500**

(1) retired effective 25 September 2019
(2) appointed to the ARC and IC, as member, effective 19 November 2019
(3) appointed to the REMCOM effective 19 November 2019

PROPOSED NON-EXECUTIVE DIRECTORS' FEES FOR THE 2021 FINANCIAL YEAR

The REMCOM has proposed to the Board the non-executive directors' fees for the 2021 financial year as set out in below table. The structure of the Board fees was amended to allow for a portion to be paid as a retainer fee and a portion to be paid as sitting fees for specific meetings. This recommendation has been approved by the Board.

	Number of members	Fee per member N$	Meetings per year	Total cost N$	70% Monthly retainer N$	30% Sitting fee per meeting N$
Board						
Chairperson	1	35,750	4	143,000	8,342	10,725
Member	4	29,150	4	466,400	27,207	34,980
ARC						
Chairperson	1	15,900	2	31,800	1,855	4,770
Member	3	12,720	2	76,320	4,452	11,448
REMCOM						
Chairperson	1	15,900	2	31,800	1,855	4,770
Member	2	12,720	2	50,880	2,968	7,632
Total				**82,680**	**4,823**	**12,402**
TOTAL before IC				**800,200**	**46,678**	**74,325**
IC (1)	**Number of members**	**Fee per member N$**	**Meetings per year**	**Total cost N$**		**100% sitting fee per meeting N$**
Chairperson	1	15,900	Ad-hoc	15,900		15,900
Member	3	12,720	Ad-hoc	38,160		38,160
Total				**54,060**		**54,060**

(1) The Investment Committee meets on an ad-hoc basis when projects are evaluated. The proposal is that this fee remains on a sitting fee basis due to the uncertainty regarding number of meetings per annum.

A fee of N$3,000 per hour will be paid to attend unscheduled ad-hoc meetings (excluding Investment Committee meetings).

PAID TO EXECUTIVE DIRECTORS FOR THE 2020 FINANCIAL PERIOD

The executive directors (COO and CFO) were remunerated by the Manager until the termination of the underlying Management agreements. The CFO and COO continues to be full-time employees of Paratus since 1 January 2020 and are remunerated as such.

The fees paid to the Manager and the Investment Manager are set out below:

	N$ 2020	N$ 2019
Manager – Paratus	339,250	300,000
Investment manager - Cirrus Capital	1,621,886	2,769,293
Total	**1,961,136**	**3,069,293**

The Investment Management Fee (inclusive of VAT) comprise:

	N$ 2020	N$ 2019
1.25% of swap consideration	1,252,566	1,282,274
1.25% of rights issue consideration	369,320	1,487,019
Total	**1,621,886**	**2,769,293**

STATEMENT BY THE COMMITTEE

The Remuneration and Nomination Committee executed its duties, during the period, in line with its roles and responsibilities as outlined above under "Role and Responsibilities".

Romé Mostert
Chairperson - Remuneration and Nomination Committee
4 December 2020

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DIRECTORS' RESPONSIBILITY

FOR AND APPROVAL OF THE ANNUAL FINANCIAL STATEMENTS
for the period ended 30 June 2020

The directors are responsible for the preparation of the annual financial statements that fairly present the state of affairs of the Company and the Group at the end of the financial period as set out on pages 76 to 131.

In order for the Company and the Board to discharge their responsibilities, management has developed, and continues to maintain, a system of internal control. The Board has ultimate responsibility for the system of internal control and periodically reviews its operation, primarily through the Audit, Risk and Compliance Committee.

The internal controls include a risk-based system of internal accounting and administrative controls designed to provide reasonable, but not absolute assurance that assets are safeguarded and that transactions are executed and recorded in accordance with generally accepted business practices and the Group's policies and procedures.

These controls are implemented by trained, skilled personnel, with appropriate segregation of duties, are monitored by Executive Directors and the Audit, Risk and Compliance Committee and include a comprehensive budgeting and reporting system operating within an appropriate control framework.

The financial statements have been audited by the independent auditors, PricewaterhouseCoopers, who were given unrestricted access to all financial records and related data including minutes of all meetings of the Board of directors and committees of the Board.

The directors believe that all representations made to the independent auditors during the audit are valid and appropriate. The audit report of PricewaterhouseCoopers is presented on page 71 to 74.

The annual financial statements are prepared in accordance with the Namibian Companies Act and International Financial Reporting Standards and incorporate disclosures in line with the accounting philosophy of the Group.

They are based on appropriate accounting policies consistently applied, except where otherwise stated, and are supported by reasonable and prudent judgements and estimates. The directors believe that the Group will be a going concern in the year ahead, as adequate funding facilities are in place and the operational and cash flow budget support this statement.
Accordingly, the going concern basis has been adopted in the preparation of the annual financial statements.

The annual financial statements for the period ended 30 June 2020 as set out on pages 76 to 131 were approved by the Board of directors on 4 December 2020 and are signed on behalf of the Board by:

Jaco Esterhuyse
Chairperson - Audit, Risk and compliance Committee
4 December 2020

Hans Bruno Gerdes
Chairperson
4 December 2020

INDEPENDENT AUDITOR'S REPORT

To the Members of Paratus Namibia Holdings Limited

Our opinion
In our opinion, the consolidated and separate financial statements present fairly, in all material respects, the consolidated and separate financial position of Paratus Namibia Holdings Limited (the Company) and its subsidiaries (together the Group) as at 30 June 2020, and its consolidated and separate financial performance and its consolidated and separate cash flows for the 16 month period then ended in accordance with International Financial Reporting Standards (IFRS) and the requirements of the Companies Act of Namibia.

What we have audited
Paratus Namibia Holdings Limited's consolidated and separate financial statements set out on pages 76 to 131 comprise:

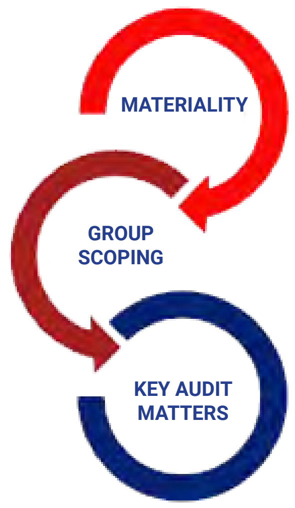
- the directors' report for the period ended 30 June 2020;
- the consolidated and separate statements of financial position as at 30 June 2020;
- the consolidated and separate statements of profit or loss and other comprehensive income for the period then ended;
- the consolidated and separate statements of changes in equity for the period then ended;
- the consolidated and separate statements of cash flows for the period then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies.

Basis for opinion
We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the consolidated and separate financial statements section of our report.*

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

INDEPENDENCE
We are independent of the Group in accordance with sections 290 and 291 of the International Ethics Standards Board for Accountants *Code of Ethics for Professional Accountants (Revised July 2016)*, parts 1 and 3 of the International Ethics Standards Board for Accountants *International Code of Ethics for Professional Accountants (including International Independence Standards) (Revised July 2018)* (Code of Conduct) and other independence requirements applicable to performing audits of financial statements in Namibia. We have fulfilled our other ethical responsibilities in accordance with the Code of Conduct and in accordance with other ethical requirements applicable to performing audits in Namibia.

Our audit approach
Overview



Overall group materiality
- *Overall group materiality: N$7,357,884, which represents 1% of consolidated total assets.*

Overall audit scope
- *Our audit included full scope audits of the Company and its subsidiary, being Paratus Telecommunications (Proprietary) Limited, based on their financial significance to the Group. Full scope audits were also performed on the subsidiaries of Paratus Telecommunications (Proprietary) Limited, being Paratus Properties (Proprietary) Limited and Paratus Property Two (Proprietary) Limited, due to statutory requirements.*

Key audit matter
- *Valuation of intangible assets acquired through a business combination; and*
- *Determining the fair value of the shares issued through the swap agreement.*

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the consolidated and separate financial statements. In particular, we considered where the directors made subjective judgements; for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits, we also addressed the risk of management override of internal controls, including among other matters, consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

MATERIALITY
The scope of our audit was influenced by our application of materiality. An audit is designed to obtain reasonable assurance whether the financial statements are free from material misstatement. Misstatements may arise due to fraud or error. They are considered material if individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the consolidated financial statements.

Based on our professional judgement, we determined certain quantitative thresholds for materiality, including the overall group materiality for the consolidated financial statements as a whole as set out in the table below. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures and to evaluate the effect of misstatements, both individually and in aggregate on the financial statements as a whole.

INDEPENDENT AUDITOR'S REPORT

Overall group materiality	*N$ 7,357,884*
How we determined it	*1% of consolidated total assets.*
Rationale for the materiality benchmark applied	*We chose consolidated total assets as the benchmark because, in our view, it is the benchmark against which the performance of the Group is most commonly measured by users. The telecommunication industry requires intensive investment in technological infrastructure. As such, the Group is highly invested in property, plant and equipment to facilitate the provision of their services. This makes the total assets the most significant element of the consolidated financial statements and the key focus of the users of the consolidated financial statements.* *We chose 1% based on our professional judgement and after consideration of the range of quantitative materiality thresholds that we would typically apply when using total assets to compute materiality.*

How we tailored our group audit scope

We tailored the scope of our audit in order to perform sufficient work to enable us to provide an opinion on the consolidated financial statements as a whole, taking into account the structure of the Group, the accounting processes and controls, and the industry in which the Group operates.

The consolidated financial statements are a consolidation of the Company and its subsidiary, which also has two subsidiaries, each a "component" for purposes of our group audit scope. Our audit included full scope audits of the Company and its subsidiary, being Paratus Telecommunications (Proprietary) Limited, based on their financial significance to the Group. Full scope audits were also performed on the subsidiaries of Paratus Telecommunications (Proprietary) Limited, being Paratus Properties (Proprietary) Limited and Paratus Property Two (Proprietary) Limited due to statutory requirements.

All testing was performed centrally by the group audit team. By performing the procedures outlined above, we obtained sufficient and appropriate audit evidence regarding the financial information of the Group to provide a basis for our opinion on the consolidated financial statements as a whole.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated and separate financial statements of the current period. These matters were addressed in the context of our audit of the consolidated and separate financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

CONSOLIDATED FINANCIAL STATEMENTS

Key audit matter	*How our audit addressed the key audit matter*
Valuation of intangible assets acquired through a business combination *(This key audit matter relates to the consolidated financial statements only)* IFRS 3 - Business Combinations ("IFRS 3") requires that as of the acquisition date, the acquirer shall recognise, separately from goodwill, the identifiable intangible assets acquired in a business combination. An intangible asset is identifiable if it meets either the separability criterion or the contractual-legal criterion. The cost of that intangible asset is its fair value at the acquisition date. On 1 January 2020 the Group acquired intangible assets with a book value of N$300,146,349 through a business combination. Intangible assets are amortised over their useful lives, except for the telecommunications license/ network spectrum and goodwill, which have indefinite useful lives. Management used an independent valuer ("management's expert") to identify and value the intangible assets acquired in the business combination. Management's expert investigated whether qualifying intangible assets met the criteria for separate recognition by following the steps below: • Discussions with management; and • Inspection of the management accounts, forecasts and relevant agreements/contracts relating to the acquired company, Paratus Telecommunications (Proprietary) Limited. Based on the above procedures, management's expert identified the intangible assets, as disclosed in the consolidated financial statements, namely the Telecommunications License / Network Spectrum; the Paratus brand; the Free-right-of-use (fiber capacity - Botswana); the Customer relationship - Bofinet; and Goodwill.	Utilising our valuations expertise, we performed the following procedures: • We assessed the competence, capability, and objectivity of management's expert by inspecting their professional certifications, and through discussions with them, understanding their experience in the industry and reputation in the field. We noted no aspects in this regard requiring further consideration; • We assessed the appropriateness of the valuation methodologies applied to value the intangible assets, with reference to market practice and the requirements of IFRS 13 - Fair value measurement (IFRS 13); • We assessed the accounting policies and purchase price allocation applied by management with reference to the requirements of IFRS 3 and IAS 38; • We assessed the intangible asset identification analysis performed by management's expert against our understanding of the Group's business, industry and its environment, our inspection of the minutes of board meetings, and our understanding of the rationale for the transaction obtained through discussions with management and those charged with governance. Based on our work performed, we accepted management's analysis; • We tested the assumptions used in the valuation of the intangible assets as follows: - We recalculated the revenue growth rate, the gross profit margin, the operating expenses growth rate and earnings before interest, taxes, depreciation and amortisation margin with reference to the prior year and current year growth rates. We compared this to management's rates and noted no material exceptions; - We reperformed the weighted average cost of capital ("WACC") calculation and found it to be mathematically accurate. We independently determined a range of discount rates by applying a 1% to 2% premium to the WACC. The discount rate adopted by management's experts fell within our internally developed range of rates;
The Multi-Period Excess Earnings Method ("MEEM") approach, corroborated by the market approach was used as the primary valuation methodology of the intangible assets. The Paratus Brand was valued using the Relief from Royalty ("RFR") approach. The Replacement Cost approach was used to value the Paratus Namibia's Free-right-of-use (fiber capacity – Botswana). Management also assessed the useful lives of the intangible assets per the requirements of International Accounting Standard ("IAS") 38 - Intangible assets ("IAS 38"). The following assumption and judgements were applied by management: • *Replacement cost Approach* The market approach involves determining the fair value of the intangible based on the replacement costs of a similar asset or an asset providing similar service or utility. Quoted price for this utility was used. • *MEEM approach* The assumptions used in this model include the cash flow forecasts, discount rates and the contributory asset charges ("CAC"). • *RFR approach* The assumptions used in this model include the future projected sales on which the royalty payment is based, market related royalty rate of 1.0%, the income tax rate and the discount rate. The RFR approach was used to value the Paratus Brand. We considered this area to be a matter of most significance in our audit of the current period due to the degree of judgement applied by management in determining the intangible assets acquired as a result of the business combination, as well as the determination of their respective initial recognition values, and subsequent measurement based on their respective useful lives. The disclosures associated with intangible assets are set out in the following notes to the consolidated financial statements: • Note 1.4 - Significant judgements and sources of estimation uncertainty, Useful lives and valuation methodology of intangible assets; • Note 1.6 - Accounting policy for intangible assets; and • Note 6 – Intangible assets.	• We tested the CACs determined in order to assess the reasonability of the spectrum licence and the value of the customer relationships. We assessed the contribution of property, plant and equipment, net working capital, assembled workforce, the Free-right-of-use and the brand to the value of the licence. We used the gross lease methodology to recalculate the CACs and noted no material exceptions; • We researched similar transactions on the Markables database and observed a broad range of royalty rates. We also performed a "Rule of thumb" analysis based on the earnings before interest and taxes margin. Based on our procedures performed, we accepted management's royalty rate of 1.0%. We applied a 1.0% royalty rate to recalculate the value of the subject Business-t0-Business brand, after considering the financial condition and relative market share of Paratus Telecommunications (Proprietary) Limited and noted no exceptions; and • We agreed the Namibian corporate tax of 32% being used in the valuation to the enacted tax rate in Namibia. • We independently calculated a range of values for each of the intangible assets, using the assumptions tested above. We found that management's valuations fell within acceptable ranges of our independently calculated valuations. • We assessed the reasonability of the useful life of the identified intangible assets by evaluating the period over which the asset is expected to generate net cash inflows, and found the useful life determined by management to be within an acceptable range. We recalculated the amortisation expense for the identified intangible assets and noted no material differences.
Determining the fair value of the shares issued through the swap agreement *(This key audit matter relates to the separate financial statements only)* On 1 January 2020 the Company acquired the remaining 46,168 ordinary shares in Paratus Telecommunications (Proprietary) Limited in accordance with a share swap transaction, bringing the total shareholding of the Company in Paratus Namibia to 100% (29 February 2019: 51.38%). The swap consideration was settled through the issue of 20,012,431 new ordinary shares of the Company allotted to Paratus Group Holdings Limited at a predetermined and agreed-upon price of N$10.50 each, for a total consideration of N$210,130,525. The Board of directors is required in terms of Schedule 5 of the Namibian Stock Exchange ("NSX") Listing Requirements to provide the NSX with written confirmation from an independent professional expert that the terms of the Proposed Swap are fair and reasonable as far as the shareholders of the Company are concerned. The value of the shares acquired in the subsidiary is determined by the fair value used in the swap agreement as determined by an independent professional expert ("independent valuer").	We inspected the agreement signed between the Company and the independent valuer and assessed the appropriateness of the following through discussions with management and the independent valuer: • The nature, scope and objectives of the independent valuer's work; • The respective roles and responsibilities of management and the independent valuer; and • The nature, timing and extent of communication between management and the independent valuer, including the form of the valuation report to be provided. We assessed the competence and capabilities of the independent valuer through discussions with the independent valuer, inspection of the independent valuer's qualifications and inspection of a confirmation of membership with the NSX. We evaluated the objectivity of the independent valuer through discussions with management to assess whether the independent valuer has any interests and relationships that may create threats to the independent valuer's objectivity. We also assessed any applicable safeguards, including any professional requirements that apply to the independent valuer, and evaluated whether the safeguards are adequate. Based on our assessment performed, we accepted that there were no threats to the independent valuer's objectivity. We evaluated the appropriateness of the valuation methodology applied with reference to the principles in IFRS 13. Based on our assessment performed, we accepted the DCF model used by the independent valuer to determine the enterprise value of Paratus Telecommunications (Proprietary) Limited. Through our review of the valuation and discussions with the independent valuer, we gained an understanding of the assumptions and method used by the independent valuer, and whether they are within the independent valuer's field of expertise and appropriate for financial reporting purposes, and the nature of internal and external data or information the independent valuer uses.

INDEPENDENT AUDITOR'S REPORT

Key audit matter	*How our audit addressed the key audit matter*
The primary valuation approach used to determine the fair value is the net asset value approach. This included performing a discounted cash flow (DCF) on Paratus Telecommunications (Proprietary) Limited and adding the remainder of the net asset value in the Company, which included the investment in money market funds and cash and cash equivalents. The assumptions applied in this model include the discount rate and the projected cash flows. The discount rate applied is the WACC. The projected cash flows have been computed for a period of 5 years. We considered this area to be a matter of most significance in our audit of the current period due to the degree of judgement applied by management in determining the fair value of the shares acquired through the swap agreement and the magnitude of the investment in the subsidiary. Refer to the following note to the separate financial statements for detail: • Note 7 – Interests in subsidiaries.	We tested the reasonability of the assumptions used in the valuation of the share price as follows: • We agreed historical financial data to the prior year's audited financial statements. We assessed the reasonableness of the forecasted financial information by comparing current year results with the prior year's budgeted results; • We assessed the reasonableness of the discount rate applied by recalculating the discount rate, taking into account the proportionate share of the Company's cost of equity and the after-tax cost of debt. Based on the results of our recalculation, we accepted the discount rate applied by management; • We assessed whether the 5 year period over which cash flows were projected provides sufficient information for the assessment by considering the period of time for which the entity has been in operation; and • We inspected the independent valuer's calculation for the expected share price range of N$9.75 to N$11.27 per share. We also considered how the independent valuer calculated the concluded price of N$10.5, making use of the expected share price range. We also evaluated it against the listed share price at 31 December 2019 of N$10.29 per share. Based on our work performed, we accepted the share price used by management. We evaluated the appropriateness of the independent valuer's work by assessing the following: • The relevance and reasonableness of the independent valuer's findings or conclusions, their consistency with underlying documentation inspected, and whether they have been appropriately reflected in the separate financial statements. We assessed the reasonability of the share swap price by comparing the agreed share swap price to the price at which the share was trading at the transaction date of 31 December 2019. We noted through inspection of the NSX quoted prices that as at 31 December 2019 the Company's shares traded at N$10.29 per share. The agreed price of N$10.50 is above the quoted share price. Based on our procedures performed, we accepted the share swap price determined by management.

Other information

The directors are responsible for the other information. The other information comprises the information included in the document titled "Paratus Namibia Holdings Limited Integrated Annual Report 2020". The other information does not include the consolidated or the separate financial statements and our auditor's report thereon.

Our opinion on the consolidated and separate financial statements does not cover the other information and we do not express an audit opinion or any form of assurance conclusion thereon.

In connection with our audit of the consolidated and separate financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the consolidated and separate financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the directors for the consolidated and separate financial statements

The directors are responsible for the preparation and fair presentation of the consolidated and separate financial statements in accordance with International Financial Reporting Standards 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 consolidated and separate financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated and separate financial statements, the directors are responsible for assessing the Group and the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group and/or the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the consolidated and separate financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated and separate financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated and separate financial statements.
As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated and separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated and separate financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and / or Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the consolidated and separate financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

PricewaterhouseCoopers

PricewaterhouseCoopers
Registered Accountants and Auditors
Chartered Accountants (Namibia)

Per: Louis van der Riet
Partner

Windhoek
8 December 2020

DIRECTORS' REPORT

The directors have pleasure in submitting their report, which forms part of the financial statements for the period ended 30 June 2020.

NATURE OF BUSINESS

Paratus Namibia Holdings Limited, formerly known as Nimbus Infrastructure Limited was incorporated in Namibia and operates principally in Namibia with interests in the information and communications technology ('ICT') industry. The activities of the Group are undertaken through the Company and its principal subsidiaries.

PNH's year end has changed to the last day of June.
PNH is listed on the NSX.
Sector: Technology, Technology Hardware and Equipment, Telecommunications Equipment' sector
Share Code: PNH
ISIN: NA000A2DTQ42
Company registration number: 2017/0558
There have been no material changes to the nature of the Group's business from the prior year.

REVIEW OF FINANCIAL RESULTS AND ACTIVITIES

The financial statements have been prepared in accordance with International Financial Reporting Standards and the requirements of the Companies Act of Namibia. The accounting policies have been applied consistently compared to the prior year, except for the adoption of new or revised accounting standards as set out in note 2 and note 3.

Full details of the financial position, results of operations and cash flows of the Group are set out in these financial statements.

SHARE CAPITAL

	2020	2019
Authorised	Numbers of Shares	Numbers of Shares
60,000,000 Ordinary shares of N$0.01 each	60,000,000	60,000,000
Issued	Numbers of Shares	Numbers of Shares
47,385,623 (28 February 2019: 28,710,692) Ordinary shares of N$0.01 each	47,385,623	28,710,692
Share capital and share premium	Numbers of Shares	Numbers of Shares
47,385,623 (28 February 2019: 28,710,692) Ordinary shares of N$0.01 each Share premium (varied)	N$ 473,856 486,437,972	N$ 287,107 292,121,115
	486,911,828	**292,408,222**

Refer to note 16 of the annual financial statements for the detail of the movement in authorised and issued share capital for the period under review.

On 1 January 2020 a share swap transaction was concluded, resulting in the issuance of 20,012,431 ordinary shares, bringing the total shares in issue to 48,723,123. The crossholding of 1,337,500 shares held by the subsidiary in the holding company resulted in a decrease of consolidated shares. The consolidated shares in issue amounts to 47,385,623 (2019: 28,710,692).

DIVIDENDS

The Group's dividend policy is to consider an interim and a final dividend in respect of each financial period. At its discretion, the Board may consider a special dividend, where appropriate. Depending on the perceived need to retain funds for expansion or operating purposes, the Board may pass on the payment of dividends.

A dividend policy was adopted that provides for a dividend pay-out of approximately 50% of profit after taxation.

During the current period under review the directors declared a maiden dividend of 10c per share amounting to N$4,872,312 (2019: N$ Nil), which was paid on 3 July 2020.

On 22 September 2020 the directors declared a final dividend of 10c per ordinary share amounting to N$4,872,312 which was paid on 13 November 2020.

INTEREST IN ASSOCIATE

Details of material interest in associate is presented in the financial statements in notes:

	2020 N$	2019 N$
Investment in Paratus	195,206,465	190, 611,051
Further investment in Paratus	26,109,446	-
Share of after taxation profit	6,662,882	4,595,414
Disposal of investment at carrying amount	227,978,793	-
Investment value at period end	**-**	**195,206,465**

On 3 July 2019 Paratus Telecommunications (Proprietary) Limited concluded a rights issue. In terms of the rights issue the aggregate amount raised by the Company amounted to N$50 million, which was contributed as share capital, by PNH and Paratus Group Holdings Limited pro rata to their respective shareholdings in Paratus on this date. The subscription price was N$1,053.03, consisting of a par value of N$5 and a premium of N$1,048.03 per ordinary share. PNH subscribed for 24,398 ordinary shares in the Company, for a consideration of N$25.7 million, which resulted in no change in the effective percentage interest in the Company.

On 1 January 2020 the fair value of the investment in associate was N$228,901,814 (51.4%) and the book value was N$227,978,793. The change in ownership resulted in a deemed profit on sale of disposal of associate amounting to N$923,021, included in other operating gains.

During the current year income from equity accounted earnings amounted to N$6,662,882 (2019:N$4,595,414).

On 1 January 2020 PNH acquired the remaining 46,168 ordinary shares in Paratus in accordance with a share swap transaction, bringing the total shareholding of PNH in Paratus to 100% (29 February 2019: 51.38%). The swap consideration was settled through the issue of 20,012,431 new ordinary PNH shares allotted to Paratus Group Holdings Limited at a pre-determined and agreed upon price of N$10.50 each for a total consideration of N$210,130,525.50. Transaction costs incurred has been expensed as consulting fees and is recognised in operating expenses.

Details of material interest in associate are presented in the annual financial statements in note 7 and 8.

DIRECTORATE

The directors at the date of this report are:

Director	Date appointed	Status
Hans-Bruno Gerdes	08 August 2017	Independent non-executive, Chairperson
Brown Amuenje (1)	08 August 2017	Independent non-executive director
Stuart Birch (2)	08 August 2017	Independent non-executive director
Romé Mostert	30 June 2017	Independent non-executive director
Josephine Shikongo	08 August 2017	Independent non-executive director
Jaco Esterhuyse (2)	23 May 2019	Non-executive director
Stefan de Bruin	08 August 2017	Group Chief Financial Officer, Executive director
Schalk Erasmus	08 August 2017	Group Chief Financial Officer, Executive director
Bartholomeus Harmse	25 September 2019	Group Chief Executive Officer, Executive director
Rolf Mendelsohn (3)	25 September 2019	Group Chief Technology Officer, Executive director
Andrew Hall	25 September 2019	Managing director: Namibia, Executive director

(1) retired effective 25 September 2019
(2) South African
(3) alternate director to Bartholomeus Harmse

DIRECTORS' REPORT

ATTENDANCE OF DIRECTORS AND SUB-COMMITTEE MEETINGS

Director	Board	ARC	REMCOM	IC
Hans-Bruno Gerdes	4/5	3/3	2/2	
Brown Amuenje (1)	1/2	-/1	-/1	3/3
Stuart Birch	5/5			5/5
Jaco Esterhuyse	3/5	2/3		5/5
Josephine Shikongo	5/5	3/3	2/2	3/3
Romé Mostert	4/5		1/1	2/2
Heinrich Jansen van Vuuren		1/1		2/2
Stefan de Bruin (CFO)	5/5			
Schalk Erasmus (COO)	3/5			
Andrew Hall (MD) (2)	3/3			
Bartholomeus Harmse (2)	3/3			

(1) retired from the Board effective 25 September 2019.
(2) appointed to the Board effective 25 September 2019.

DIRECTORS' FEES

The actual fees paid to non-executive directors during the 2020 financial year are as follows:

Director	Board Attendance fees N$	ARC Attendance fees N$	IC Attendance fees N$	REMCOM Attendance fees N$	TOTAL Attendance fees N$
Hans-Bruno Gerdes (Chairperson of the Board)	195,000	39,000	-	24,000	258,000
Brown Amuenje (1)	55,000	-	45,000	12,000	112,000
Stuart Birch	165,000	-	48,000	-	213,000
Jaco Esterhuyse	165,000	42,000	66,000	-	273,000
Josephine Shikongo	165,000	36,000	36,000	27,000	264,000
Heinrich Jansen van Vuuren (2)	-	12,000	24,000	-	36,000
Romé Mostert (3)	82,500	-	24,000	15,000	121,500
Total	**827,500**	**129 ,000**	**243,000**	**78,000**	**1,277,500**

(1) retired from the Board on 25 September 2019
(2) appointed to the ARC and IC, as member, effective 19 November 2019
(3) appointed to REMCOM effective 19 November 2019

DIRECTORATE INTEREST IN SHARES

As at 30 June 2020, the directors of the Group and subsidiaries held direct and indirect beneficial interests of 34.66% (2019: 10.56%) of the issued ordinary shares in PNH, as set out below:

Director	Direct number of shares 2020	Direct number of shares 2019	Indirect number of shares 2020	Indirect number of shares 2019	Total number of shares 2020	Total number of shares 2019	% of shares in issue 2020	% of shares in issue 2019
Stuart Birch	-	-	12,500	-	12,500	-	0.03%	-%
Stefan de Bruin	250,000	250,000	-	-	250,000	250,000	0.51%	0.87%
Schalk Erasmus	2,717,557	2,727,337	3,272,118	-	5,989,675	2,727,337	12.29%	9.50%
Hans-Bruno Gerdes	48,000	48,000	-	-	48,000	48,000	0.10%	0.17%
Romé Mostert	1	1	100,000	-	100,001	1	0.21%	-%
Josephine Shikongo	2,500	2,500	-	-	2,500	2,500	0.01%	0.01%
Andrew Hall	304,845	N/A	-	N/A	304,845	-	0.62%	-%
Bartholomeus Roelof Jacobus Harmse	2,207,945	N/A	2,276,866	N/A	4,484,811	N/A	9.20%	-%
Rolf Peter Konrad Mendelsohn	19,500	N/A	5,675,143	N/A	5,694,643	N/A	11.69%	-%
Christoph Stork	N/A	4,500	N/A	-	N/A	4,500	-%	0.01%
Total shareholding	**5,550,348**	**3,032,338**	**11,336,627**	**-**	**16,886,975**	**3,032,338**	**34.66%**	**10.56%**
Total shares in issue					**48,723,123**	**28,710,692**		

The register of interests of directors and others in shares of the Company is available to the shareholders on request.
There have been no changes in beneficial interests that occurred between the end of the reporting year and the date of this report.

AUDITORS

PricewaterhouseCoopers ('PWC') will continue to be the auditor of the Company in terms of Namibia Companies Act 28 of 2004, section 278(1).

COMPANY SECRETARY

Cronjé Secretarial Services (Pty) Ltd
1 Charles Cathral Street
Windhoek,Namibia

P.O. Box 81588
Windhoek
Olympia
Namibia
Windhoek, Namibia

REGISTERED OFFICE

106 Nickel Street, Prosperita
Windhoek, Namibia

P.O. Box 81588
Windhoek
Olympia
Namibia
Windhoek, Namibia

DIRECTORS' REPORT

GOING CONCERN

The directors believe that the Company has adequate financial resources to continue in operation for the foreseeable future and accordingly the annual financial statements have been prepared on a going concern basis. The directors have satisfied themselves that the Company is in a sound financial position and that it has access to sufficient borrowing facilities to meet its foreseeable cash requirements. The directors are not aware of any new material changes that may adversely impact the Company. The directors are also not aware of any material non-compliance with statutory or regulatory requirements or of any pending changes to legislation which may affect the Company.

SUBSEQUENT EVENTS

There has been a wide-spread international outbreak of COVID-19, which has significantly affected lives, entities and economic activity around the world. The Namibian Government implemented a national "lockdown" starting at midnight on 27 March 2020. As a result of the spread of the virus and the reactions thereto, there have been material adverse financial effects around the world. As the Company is in the Information and Communication Technology industry, it was classified as essential services and was able to continue trading. The directors believe that the pandemic will not have a significant impact on the performance of the Company and accordingly the annual financial statements have been prepared on a going concern basis.

It is not possible to provide accurate estimates of the financial effects of the pandemic on the Group, which is inherently uncertain, but the following are potential financial effects:

- Impact on service levels and revenue;
- Foreign exchange losses due to exposure to foreign suppliers; and
- Bad debts due to customer payment defaults.

The Group has a Business Continuity Plan (BCP) in place, which sets out its response to the management of epidemics. The Group's BCP was invoked whereby an increasing proportion of our workforce were enabled to work from home, whilst arrangements for those who remained in the office were adjusted to ensure appropriate "social distancing" to protect our employees.

All essential functions, such as the network operations center, new service provisioning and billing continued to operate uninterruptedly.

The directors have considered the impact of the pandemic on the business of the Group and believes the Group is well positioned with sufficient liquid reserves to continue as a going concern.

The Group is not only focused on managing the risks brought about by COVID-19, but also on the opportunities it creates in the accelerated digitalisation it has brought about. The Group is well positioned to benefit from this evolution, especially given its focus on growth in data, digital and financial services businesses in the execution of our strategy. The extensive interventions that have been implemented are expected to continue to safeguard the sustainability of the business in the prevailing challenging environment.

During March 2020 there has been a successful judgement in favour of Paratus whereby Paratus obtained a High Court interdict against the City of Windhoek. This interdict prohibits the City of Windhoek from unlawfully stopping the roll-out of fiber infrastructure. The City of Windhoek has subsequently lodged an appeal against the interdict.

Pursuant to the cautionary announcement published on the NENS of the NSX dated 8 May 2020, with renewal of cautionary announcement dated 25 June 2020 as well as on 6 August 2020, Paratus has entered into a 15-year agreement with Blue Path Technology Company (Unlimited) and ZA Asset Management (Proprietary) Limited (collectively "Google"), to be the landing partner for the Equiano submarine cable in Namibia.

The bilateral agreement entails two facets, the first whereby Paratus acquires from ZA Asset Management (Proprietary) Limited unrestricted right to use the branch connecting Namibia to the Equiano submarine cable for own use, lease, resale or to use the relevant capacity for any legal purpose. The second being the exchange of services to be rendered by Paratus, with a total value of approximately N$260 million.

The Board approved the construction of a data center in Windhoek with a total value of N$120 million (including the erf). The data center will be 1 300 square metres in size and will host 140 cabinets of which Google, as anchor tenant, will occupy 50 cabinets.

The Board also approved the construction of the Cable Landing Station and Power Feeding Equipment totalling N$33 Million (including the erf). The Cable Landing Station consists of the building and other terminal facilities (active and passive) which is required to land the Equiano Submarine Cable System.

On 22 September 2020 the directors declared a final dividend of 10c per ordinary share amounting to N$4,872,312.

The directors are not aware of any further material events or circumstances arising after the reporting date and up to date of this report, not otherwise dealt with in the annual financial statements, which significantly affects the financial position of the Company.

The financial statements set out on pages 82 to 131, which have been prepared on the going concern basis, were approved by the Board on 4 December 2020.

STATEMENTS OF FINANCIAL POSITION AS AT 30 JUNE 2020

Figures in Namibia Dollar	Notes	Group		Company	
		2020	2019	2020	2019
Assets					
Non-Current Assets					
Property, plant and equipment	4	254,244,407	-	-	-
Right-of-use assets	5	1,771,687	-	-	-
Intangible assets	6	297,156,674	-	-	-
Investments in subsidiaries	7	-	-	427,644,393	-
Investments in associates	8	-	195,206,465	-	190,481,401
Loans to group companies	9	220,231	-	-	-
		553,392,999	**195,206,465**	**427,644,393**	**190,481,401**
Current Assets					
Finance lease receivables	10	103,163	-	-	-
Inventories	12	13,735,126	-	-	-
Loans to group companies	9	600,000	-	-	-
Trade and other receivables	13	29,922,149	-	-	-
Investments at fair value	14	115,096,827	104,784,142	75,185,754	104,784,142
Current tax receivable		1,972,681	-	-	-
Cash and cash equivalents	15	20,965,432	186,325	4,941,605	186,325
		182,395,378	**104,970,467**	**80,127,359**	**104,970,467**
Total Assets		**735,788,377**	**300,176,932**	**507,771,752**	**295,451,868**
Equity and Liabilities					
Equity					
Share capital	16	473,856	287,107	487,231	287,107
Share premium	16	486,437,972	292,121,115	500,187,472	292,121,115
Revaluation reserve		1,985,600	-	-	-
Retained income		28,382,990	7,695,764	2,222,789	2,970,700
		517,280,418	**300,103,986**	**502,897,492**	**295,378,922**
Non-Current Liabilities					
Borrowings	17	64,889,735	-	-	-
Lease liabilities	5	1,364,059	-	-	-
Contract Liabilities	20	79,480,705	-	-	-
Deferred tax	11	10,425,730	-	-	-
		156,160,229	**-**	**-**	**-**
Current Liabilities					
Trade and other payables	19	27,043,162	72,946	1,948	72,946
Borrowings	17	14,994,478	-	-	-
Lease liabilities	5	1,048,768	-	-	-
Contract Liabilities	20	8,831,084	-	-	-
Provisions	18	5,648,675	-	-	-
Bank overdraft	15	43,001	-	-	-
Dividend Payable	21	4,738,562	-	4,872,312	-
		62,347,730	**72,946**	**4,874,260**	**72,946**
Total Liabilities		**218,507,959**	**72,946**	**4,874,260**	**72,946**
Total Equity and Liabilities		**735,788,377**	**300,176,932**	**507,771,752**	**295,451,868**

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

Figures in Namibia Dollar	Notes	Group		Company	
		16 months ended 30 June 2020	12 months ended 28 February 2019	16 months ended 30 June 2020	12 months ended 28 February 2019
Revenue	22	173,390,963	4,581,201	7,693,822	4,581,201
Cost of sales	23	(78,090,616)	-	-	-
Gross profit		95,300,347	4,581,201	7,693,822	4,581,201
Other operating income	24	282,664	-	-	-
Other operating gains / (losses)	25	3,558,614	-	923,021	-
Operating expenses	26	(70,703,021)	(2,194,823)	(4,492,441)	(2,194,823)
Operating profit	26	28,438,604	2,386,378	4,124,402	2,386,378
Investment income	27	90,784	-	-	-
Finance costs	28	(4,024,915)	-	(1)	-
Income from equity accounted investments	8	6,662,882	4,595,414	-	-
Profit before taxation		31,167,355	6,981,792	4,124,401	2,386,378
Taxation	29	(5,741,566)	-	-	-
Profit for the period		25,425,789	6,981,792	4,124,401	2,386,378
Other comprehensive income:					
Items that will not be reclassified to profit or loss:					
Gains on property revaluation	4	2,920,000	-	-	-
Income taxation relating to items that will not be reclassified		(934,400)	-	-	-
Total comprehensive income for the period		**27,411,389**	**6,981,792**	**4,124,401**	**2,386,378**
Earnings per share					
Per share information					
Basic and dilute earnings per share	30	71.27	30.67		
Headline earnings per share	30	67.26	30.67		
Dividends per share	30	10.00	-		
Adjusted earnings before interest, taxation, depreciation and amortisation (EBITDA)		55,148,094	6,981,792	4,936,401	2,386,378

STATEMENTS OF CHANGES IN EQUITY

Figures in Namibia Dollar	Share capital	Share premium	Total share capital	Revaluation reserve	Retained income	Total equity
Group						
Balance at 01 March 2018	**103,634**	**101,530,407**	**101,634,041**	**-**	**713,972**	**102,348,013**
Issue of shares	183,473	190,590,708	190,774,181	-	-	190,774,181
Total contributions by and distributions to owners of company recognised directly in equity	**183,473**	**190,590,708**	**190,774,181**	**-**	**-**	**190,774,181**
Profit for the period	-	-	-	-	6,981,792	6,981,792
Total comprehensive income for the period	**-**	**-**	**-**	**-**	**6,981,792**	**6,981,792**
Balance at 01 March 2019	**287,107**	**292,121,115**	**292,408,222**	**-**	**7,695,764**	**300,103,986**
Profit for the period	-	-	-	-	25,425,789	25,425,789
Other comprehensive income	-	-	-	1,985,600	-	1,985,600
Total comprehensive income for the period	**-**	**-**	**-**	**1,985,600**	**25,425,789**	**27,411,389**
Issue of shares	186,749	194,316,857	194,503,606	-	-	194,503,606
Dividends paid	-	-	-	-	(4,738,562)	(4,738,562)
Total contributions by and distributions to owners of company recognised directly in equity	**186,749**	**194,316,857**	**194,503,606**	**-**	**(4,738,562)**	**189,765,044**
Balance at 30 June 2020	**473,856**	**486,437,972**	**486,911,828**	**1,985,600**	**28,382,990**	**517,280,418**
Note	16	16	16			

Figures in Namibia Dollar	Share capital	Share premium	Total share capital	Revaluation reserve	Retained income	Total equity
Company						
Balance at 01 March 2018	**103,634**	**101,530,407**	**101,634,041**	**-**	**584,322**	**102,218,363**
Issue of shares	183,473	190,590,708	190,774,181	-	-	190,774,181
Total contributions by and distributions to owners of company recognised directly in equity	**183,473**	**190,590,708**	**190,774,181**	**-**	**-**	**190,774,181**
Profit for the period	-	-	-	-	2,386,378	2,386,378
Total comprehensive income for the period	**-**	**-**	**-**	**-**	**2,386,378**	**2,386,378**
Balance at 01 March 2019	**287,107**	**292,121,115**	**292,408,222**	**-**	**2,970,700**	**295,378,922**
Profit for the period	-	-	-	-	4,124,401	4,124,401
Total comprehensive income for the period	**-**	**-**	**-**	**-**	**4,124,401**	**4,124,401**
Issue of shares	200,124	208,066,357	208,266,481	-	-	208,266,481
Dividends paid	-	-	-	-	(4,872,312)	(4,872,312)
Total contributions by and distributions to owners of company recognised directly in equity	**200,124**	**208,066,357**	**208,266,481**	**-**	**(4,872,312)**	**203,394,169**
Balance at 30 June 2020	**487,231**	**500,187,472**	**500,674,703**	**-**	**2,222,789**	**502,897,492**
Note	16	16	16			

STATEMENTS OF CASH FLOWS

Figures in Namibia Dollar		Group		Company	
	Notes	16 months ended 30 June 2020	12 months ended 28 February 2019	16 months ended 30 June 2020	12 months ended 28 February 2019
Cash flows from operating activities					
Cash generated from/(used in) operations	31	60,696,473	(2,196,668)	(4,563,440)	(2,196,668)
Interest income		90,784	-	-	-
Dividend income	22	9,052,815	4,581,201	7,693,822	4,581,201
Finance costs	28	(3,850,172)	-	(1)	-
Tax paid	32	(153,635)	-	-	-
Net cash from operating activities		**65,836,265**	**2,384,533**	**3,130,381**	**2,384,533**
Cash flows from investing activities					
Acquisition of property, plant and equipment	4	(35,825,943)	-	-	-
Disposals of property, plant and equipment	4	30,348	-	-	-
Acquisition of intangible assets	6	(187,506)	-	-	-
Finance lease receipts	10	95,285	-	-	-
Deposits into money market funds and similar securities		(9,052,815)	-	-	-
Withdrawals from money market funds and similar securities		11,600,386	(101,102,592)	29,598,389	(101,102,592)
Movement in investments	33	(417,620)	(2,770,311)	(26,109,445)	(2,770,311)
Cash acquired through business combination		(1,911,450)	-	-	-
Net cash (used in)/from investing activities		**(35,669,315)**	**(103,872,903)**	**3,488,944**	**(103,872,903)**
Cash flows from financing activities					
Proceeds on share issue		-	101,572,481	-	101,572,481
Issue costs directly attributable to share issue		(1,864,045)	-	(1,864,045)	-
Proceeds from loans from group companies		461,164	-	-	-
Repayment of borrowings	34	(6,635,541)	-	-	-
Payment on lease liabilities	34	(817,825)	-	-	-
Net cash (used in)/from financing activities		**(8,856,247)**	**101,572,481**	**(1,864,045)**	**101,572,481**
Total cash movement for the period		**21,310,703**	**84,111**	**4,755,280**	**84,111**
Cash at the beginning of the period		186,325	102,214	186,325	102,214
Effect of exchange rate movement on cash balances		(574,597)	-	-	-
Total cash at end of the period	15	**20,922,431**	**186,325**	**4,941,605**	**186,325**

ACCOUNTING POLICIES

CORPORATE INFORMATION

Paratus Namibia Holdings Limited, previously known as Nimbus Infrastructure Limited, was incorporated in Namibia and is an investment holding company. Paratus, 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's year end has changed to June.

Paratus Namibia Holdings Limited is listed on the 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 Group's business from the prior year.

1. SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these annual financial statements are set out below.

1.1 Basis of preparation

The annual financial statements have been prepared on the going concern basis in accordance with, and in compliance with, International Financial Reporting Standards ("IFRS") and International Financial Reporting Interpretations Committee ("IFRIC") interpretations issued and effective at the time of preparing these annual financial statements and the Companies Act of Namibia.

The annual financial statements have been prepared on the historic cost convention, unless otherwise stated in the accounting policies, which follow and incorporate the principal accounting policies set out below. They are presented in Namibia Dollars, which is the Group's functional currency.

These accounting policies are consistent with the previous year, except for the changes set out in note 2.

1.2 Segmental reporting

The Group considers its ICT segment as its only operating segment. This is in a matter consistent with the 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 segment of the entity.

1.3 Consolidation

Basis of consolidation
The annual financial statements incorporate the annual financial statements of the Company and all subsidiaries. Subsidiaries are entities (including structured entities) which are controlled by the Group.

The Group has control of an entity when it is exposed to or has rights to variable returns from involvement with the entity and it has the ability to affect those returns through use of its power over the entity.

The results of subsidiaries are included in the annual financial statements from the effective date of acquisition to the effective date of disposal.

Adjustments are made when necessary to the annual financial statements of subsidiaries to bring their accounting policies in line with those of the Group.

All intercompany transactions, balances, and unrealised gains on transactions between Group companies are eliminated in full on consolidation. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

Non-controlling interests in the net assets of consolidated subsidiaries are identified and recognised separately from the Group's interest therein, and are recognised within equity. Losses of subsidiaries attributable to non-controlling interests are allocated to the non-controlling interest even if this results in a debit balance being recognised for non-controlling interest.

Transactions with non-controlling interests that do not result in loss of control are accounted for as equity transactions and are recognised directly in the Statements of Changes in Equity.

The difference between the fair value of consideration paid or received and the movement in non-controlling interest for such transactions is recognised in equity attributable to the owners of the Group.

Where a subsidiary is disposed of and a non-controlling shareholding is retained, the remaining investment is measured to fair value with the adjustment to fair value recognised in profit or loss as part of the gain or loss on disposal of the controlling interest. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss.

Investments in subsidiaries and associates in the separate financial statements
In the Company's separate financial statements, investments in subsidiaries and associates are carried at cost less any accumulated impairment losses.

Business combinations
The Group accounts for business combinations using the acquisition method of accounting. The cost of the business combination is measured as the aggregate of the fair values of assets given, liabilities incurred or assumed, and equity instruments issued. Costs directly attributable to the business combination are expensed as incurred, except the costs to issue debt which are amortised as part of the effective interest and costs to issue equity which are included in equity.

Any contingent consideration is included in the cost of the business combination at fair value as at the date of acquisition. Subsequent changes to the assets, liability or equity which arise as a result of the contingent consideration are not affected against goodwill, unless they are valid measurement period adjustments. Otherwise, all subsequent changes to the fair value of contingent consideration that is deemed to be an asset or liability is recognised in either profit or loss or in other comprehensive income, in accordance with relevant IFRS's. Contingent consideration that is classified as equity is not remeasured, and its subsequent settlement is accounted for within equity.

The acquiree's identifiable assets, liabilities and contingent liabilities which meet the recognition conditions of IFRS 3 Business combinations are recognised at their fair values at acquisition date.

Contingent liabilities are only included in the identifiable assets and liabilities of the acquiree where there is a present obligation at acquisition date.

On acquisition, the acquiree's assets and liabilities are reassessed in terms of classification and are reclassified where the classification is inappropriate for Group purposes.

Non-controlling interests in the acquiree are measured on an acquisition-by-acquisition basis either at fair value or at the non- controlling interests' proportionate share in the recognised amounts of the acquiree's identifiable net assets. This treatment applies to non-controlling interests which are present ownership interests, and entitle their holders to a proportionate share of the entity's net assets in the event of liquidation. All other components of non-controlling interests are measured at their acquisition date fair values, unless another measurement basis is required by IFRS's.

In cases where the Group held a non-controlling shareholding in the acquiree prior to obtaining control, that interest is measured to fair value as at acquisition date. The measurement to fair value is included in profit or loss for the year.

Goodwill is determined as the consideration paid, plus the fair value of any shareholding held prior to obtaining control, plus non-controlling interest and less the fair value of the identifiable assets and liabilities of the acquiree. If, in the case of a bargain purchase, the result of this formula is negative, then the difference is recognised directly in profit or loss.

Goodwill is not amortised but is tested on an annual basis for impairment. If goodwill is assessed to be impaired, that impairment is not subsequently reversed.

1.4 Significant judgements and sources of estimation uncertainty

The preparation of annual financial statements in conformity with IFRS requires management, from time to time, to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. These estimates and associated assumptions are based on experience and various other factors that are believed to be reasonable under the circumstances. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

Key sources of estimation uncertainty:

Determining the lease term
In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option: or not exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated). The assessment is reviewed if a significant event or a significant change in circumstances occurs which affects this assessment and that is within the control of the lessee.

Impairment of financial assets
The impairment provisions for financial assets are based on assumptions about risk of default and expected loss rates. The Group uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the Group's past history, existing market conditions as well as forward looking estimates at the end of each reporting period. For details of the key assumptions and inputs used, refer to the individual notes addressing financial assets.

Fair value estimation
Several assets and liabilities of the Group are either measured at fair value or disclosure is made of their fair values. Observable market data is used as inputs to the extent that it is available. Qualified external valuers are consulted and used for the determination and calculation of appropriate valuation techniques and inputs.

Useful lives and residual values of property, plant and equipment
Management assess the appropriateness of the useful lives and residual values of property, plant and equipment at the end of each reporting period. The useful lives of motor vehicles, furniture and computer equipment are determined based on Company replacement policies for the various assets. Individual assets within these classes, which have a significant carrying amount are assessed separately to consider whether replacement will be necessary outside of normal replacement parameters.

When the estimated useful life of an asset differs from previous estimates, the change is applied prospectively in the determination of the depreciation charge.

Useful lives and valuation methodology of intangible assets
Management assess the appropriateness of the useful lives of intangible assets at the end of each reporting period. The Multi-Period Excess Earnings Method "MEEM" approach was used as the primary valuation methodology of Intangible assets acquired as a result of the business combination. The Paratus Brand was valued using the relief from royalty "RTR" approach. The cost approach was used to value the Paratus Namibia's free right of use (fiber capacity – Botswana).

1.5 Property, plant and equipment

Property, plant and equipment are tangible assets which the Group holds for its own use or for rental to others 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 Group, 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 Group 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 is measured at fair value and plant and equipment is measured at cost less accumulated depreciation and any accumulated impairment losses.

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 Group. Leased assets are depreciated in a consistent manner over the shorter of their expected useful lives and the lease term. 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	Depreciation method	Average useful life
Fiber (active equipment)	Straight line	5 years
Fiber (passive equipment)	Straight line	20 years
Infrastructure	Straight line	20 years
Core network assets	Straight line	5 years
Furniture and fittings	Straight line	5 years
Motor vehicles	Straight line	4 years
Equipment	Straight line	3 to 5 years

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 period 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

ACCOUNTING POLICIES

1.6 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 / ntangible 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 period and the amortisation method for intangible assets are reviewed every period-end. Amortisation is provided to write down the intangible assets, on a straight line basis, to their residual values as follows:

Item	Amortisation method	Average useful life
Paratus brand	Straight line	6 years
Telecommunications License / Network Spectrum	Straight line	Indefinite
Free right of use (Fiber capacity - Botswana)	Straight line	18.17 years
Computer software	Straight line	3 years
Goodwill (not amortised but is tested for impairment annually)	Not applicable	Indefinite
Customer base	Straight line	12 years
Customer relationship – Botswana Fiber Network	Not applicable	20 years

1.7 Financial instruments

Financial instruments held by the Group are classified in accordance with the provisions of IFRS 9 Financial Instruments. Broadly, the classification possibilities, which are adopted by the Group ,as applicable, are as follows:

Financial assets which are equity instruments
- Mandatorily at fair value through profit or loss; or
- Designated as at fair value through other comprehensive income. (This designation is not available to equity instruments which are held for trading or which are contingent consideration in a business combination).

Financial assets which are debt instruments
- Amortised cost. (This category applies only when the contractual terms of the instrument give rise, on specified dates, to cash flows that are solely payments of principal and interest on principal, and where the instrument is held under a business model whose objective is met by holding the instrument to collect contractual cash flows); or
- Mandatorily at fair value through profit or loss. (This classification automatically applies to all debt instruments which do not qualify as at amortised cost or at fair value through other comprehensive income); or
- Designated at fair value through profit or loss. (This classification option can only be applied when it eliminates or significantly reduces an accounting mismatch).

Financial liabilities
- Amortised cost; or
- Mandatorily at fair value through profit or loss. (This applies to contingent consideration in a business combination or to liabilities which are held for trading); or
- Designated at fair value through profit or loss. (This classification option can be applied when it eliminates or significantly reduces an accounting mismatch; the liability forms part of a Group of financial instruments managed on a fair value basis; or it forms part of a contract containing an embedded derivative and the entire contract is designated as at fair value through profit or loss).

Note 38 Financial instruments and risk management presents the financial instruments held by the Group based on their specific classifications.

All regular purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

The specific accounting policies for the classification, recognition and measurement of each type of financial instrument held by the Group are presented below:

Impairment

Loans receivable at amortised cost

Classification
Loans to Group companies (note 9) are classified as financial assets subsequently measured at amortised cost.

They have been classified in this manner because the contractual terms of these loans give rise, on specified dates to cash flows that are solely payments of principal and interest on the principal outstanding, and the Group's business model is to collect the contractual cash flows on these loans.

Recognition and measurement
Loans receivable are recognised when the Group becomes a party to the contractual provisions of the loan. The loans are measured, at initial recognition, at fair value plus transaction costs, if any.

They are subsequently measured at amortised cost.

The amortised cost is the amount recognised on the loan initially, minus principal repayments, plus cumulative amortisation (interest).

The Group recognises a loss allowance for expected credit losses on all loans receivable measured at amortised cost. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective loans.

The Group measures the loss allowance at an amount equal to lifetime expected credit losses (lifetime ECL) when there has been a significant increase in credit risk since initial recognition. If the credit risk on a loan has not increased significantly since initial recognition, then the loss allowance for that loan is measured at 12 month expected credit losses (12 month ECL).

- Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a loan. In contrast, 12 month ECL represents the portion of lifetime ECL that is expected to result from default events on a loan that are possible within 12 months after the reporting date.

In order to assess whether to apply lifetime ECL or 12 month ECL, in other words, whether or not there has been a significant increase in credit risk since initial recognition, the Group considers whether there has been a significant increase in the risk of a default occurring since initial recognition rather than at evidence of a loan being credit impaired at the reporting date or of an actual default occurring.

Goodwill acquired is tested for impairment by analysing the profitability of the cash generating units. These units are profitable, therefore they are considered not to be impaired.

Write-off policy
The Group writes off a loan when there is information indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the counterparty has been placed under liquidation or has entered into bankruptcy proceedings.

Loans written off may still be subject to enforcement activities under the Group recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognised in profit or loss.

Measurement and recognition of expected credit losses
The measurement of expected credit losses is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default.

The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information as described above. The exposure at default is the gross carrying amount of the loan at the reporting date.

Recognition and measurement
If the Group has measured the loss allowance for a financial instrument at an amount equal to lifetime ECL in the previous reporting period, but determines at the current reporting date that the conditions for lifetime ECL are no longer met, the Group measures the loss allowance at an amount equal to 12 month ECL at the current reporting date, and visa versa.

An impairment gain or loss is recognised for all loans in profit or loss with a corresponding adjustment to their carrying amount through a loss allowance account. The impairment loss is included in operating expenses in profit or loss as a movement in credit loss allowance (note 26).

Trade and other receivables

Classification
Trade and other receivables, excluding, when applicable, VAT and prepayments, are classified as financial assets subsequently measured at amortised cost (note 13).

They have been classified in this manner because their contractual terms give rise, on specified dates to cash flows that are solely payments of principal and interest on the principal outstanding, and the Group's business model is to collect the contractual cash flows on trade and other receivables.

Trade and other receivables are recognised when the Group becomes a party to the contractual provisions of the receivables. They are measured, at initial recognition, at fair value plus transaction costs, if any.

They are subsequently measured at amortised cost.

The amortised cost is the amount recognised on the receivable initially, minus principal repayments, plus cumulative amortisation (interest), adjusted for any loss allowance.

Trade and other receivables denominated in foreign currencies
When trade and other receivables are denominated in a foreign currency, the carrying amount of the receivables are determined in the foreign currency. The carrying amount is then translated to the Namibia Dollar equivalent using the spot rate at the end of each reporting period. Any resulting foreign exchange gains or losses are recognised in profit or loss in other operating gains (losses) (note 25).

Details of foreign currency risk exposure and the management thereof are provided in the financial instruments and risk management (note 38)

Impairment
The Group recognises a loss allowance for expected credit losses on trade and other receivables, excluding VAT and prepayments. The amount of expected credit losses is updated at each reporting date.

Measurement and recognition of expected credit losses
The Group makes use of a provision matrix as a practical expedient to the determination of expected credit losses on trade and other receivables. The provision matrix is based on historic credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current and forecast direction of conditions at the reporting date, including the time value of money, where appropriate.

The customer base is widespread and does not show significantly different loss patterns for different customer segments. The loss allowance is calculated on a collective basis for all trade and other receivables in totality. Details of the provision matrix is presented in note 13.

An impairment gain or loss is recognised in profit or loss with a corresponding adjustment to the carrying amount of trade and other receivables, through use of a loss allowance account. The impairment loss is included in operating expenses in profit or loss as a movement in credit loss allowance (note 26).

Write-off policy
The Group writes off a receivable when there is information indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the counterparty has been placed under liquidation or has entered into bankruptcy proceedings. Receivables written off may still be subject to enforcement activities under the Group recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognised in profit or loss.

Borrowings and loans from related parties

Classification
Loans from group companies (note 9) and borrowings (note 17) are classified as financial liabilities subsequently measured at amortised cost.

Recognition and measurement
Borrowings and loans from related parties are recognised when the Group becomes a party to the contractual provisions of the loan. The loans are measured, at initial recognition, at fair value plus transaction costs, if any.

They are subsequently measured at amortised cost using the effective interest method.

Borrowings expose the Group to liquidity risk and interest rate risk. Refer to note 38 for details of risk exposure and management thereof.

Trade and other payables

Classification
Trade and other payables (note 19), excluding VAT and amounts received in advance, are classified as financial liabilities subsequently measured at amortised cost.

Recognition and measurement
They are recognised when the Group becomes a party to the contractual provisions, and are measured, at initial recognition, at fair value plus transaction costs, if any.

They are subsequently measured at amortised cost.

Trade and other payables expose the Group to liquidity risk and possibly to interest rate risk. Refer to note 38 for details of risk exposure and management thereof.

ACCOUNTING POLICIES

1.7 Financial instruments (continued)

Trade and other payables denominated in foreign currencies
When trade payables are denominated in a foreign currency, the carrying amount of the payables are determined in the foreign currency. The carrying amount is then translated to the Namibia Dollar equivalent using the spot rate at the end of each reporting period. Any resulting foreign exchange gains or losses are recognised in profit or loss in the other operating gains (losses) (note 25).

Details of foreign currency risk exposure and the management thereof are provided in the trade and other payables note (note 38).

Cash and cash equivalents
Cash and cash equivalents are stated at carrying amount which is deemed to be fair value. Refer to note 38 for details of risk exposure and management thereof.

Bank overdrafts
Bank overdrafts are initially measured at fair value, and are subsequently measured at amortised cost.

1.8 Tax

Current tax assets and liabilities
Current tax for current and prior periods is, to the extent unpaid, recognised as a liability. If the amount already paid in respect of current and prior periods exceeds the amount due for those periods, the excess is recognised as an asset.

Current tax liabilities (assets) for the current and prior periods are measured at the amount expected to be paid to (recovered from) the tax authorities, using the tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax assets and liabilities
A deferred tax liability is recognised for all taxable temporary differences, except to the extent that the deferred tax liability arises from the initial recognition of an asset or liability in a transaction which at the time of the transaction, affects neither accounting profit nor taxable profit (tax loss).

A deferred tax asset is recognised for all deductible temporary differences to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilised. A deferred tax asset is not recognised when it arises from the initial recognition of an asset or liability in a transaction at the time of the transaction, affects neither accounting profit nor taxable profit (tax loss).

A deferred tax asset is recognised for the carry forward of unused tax losses to the extent that it is probable that future taxable profit will be available against which the unused tax losses can be utilised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period**.**

Tax expenses
Current and deferred taxes are recognised as income or an expense and included in profit or loss for the period, except to the extent that the tax arises from:

- a transaction or event which is recognised, in the same or a different period, to other comprehensive income, or
- a business combination.

Current tax and deferred taxes are charged or credited to other comprehensive income if the tax relates to items that are credited or charged, in the same or a different period, to other comprehensive income.

Current tax and deferred taxes are charged or credited directly to equity if the tax relates to items that are credited or charged, in the same or a different period, directly in equity.

1.9 Leases (Comparatives under IAS 17) Operating leases – lessee

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership. A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership.

Finance leases - lessor
The Group recognises finance lease receivables in the statements of financial position.

Finance income is recognised based on a pattern reflecting a constant periodic rate of return on the Group's net investment in the finance lease.

Finance leases – lessee
Finance leases are recognised as assets and liabilities in the statements of financial position at amounts equal to the fair value of the leased property or, if lower, the present value of the minimum lease payments. The corresponding liability to the lessor is included in the statements of financial position as a finance lease obligation.

The discount rate used in calculating the present value of the minimum lease payments is the interest rate implicit in the lease.

The lease payments are apportioned between the finance charge and reduction of the outstanding liability. The finance charge is allocated to each period during the lease term so as to produce a constant periodic rate on the remaining balance of the liability.

Operating lease payments are recognised as an expense on a straight-line basis over the lease term. The difference between the amounts recognised as an expense and the contractual payments are recognised as an operating lease asset. This liability is not discounted.

Any contingent rents are expensed in the period they are incurred.

1.10 Inventories

Inventories are measured at the lower of cost and net realisable value.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

The cost of inventories comprises of all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

The cost of inventories is assigned using the weighted average cost formula. The same cost formula is used for all inventories having a similar nature and use to the entity.

When inventories are sold, the carrying amount of those inventories are recognised as an expense in the period in which the related revenue is recognised. The amount of any write-down of inventories to net realisable value and all losses of inventories are recognised as an expense in the period the write-down or loss occurs. The amount of any reversal of any write-down of inventories, arising from an increase in net realisable value, are recognised as a reduction in the amount of inventories recognised as an expense in the period in which the reversal occurs.

Inventories include work in progress which relates to inventory issued to customers, which have not been invoiced.

1.11 Impairment of assets

The Group assesses at each end of the reporting period whether there is any indication that an asset may be impaired. If any such indication exists, the Group estimates the recoverable amount of the asset.

If there is any indication that an asset may be impaired, the recoverable amount is estimated for the individual asset. If it is not possible to estimate the recoverable amount of the individual asset, the recoverable amount of the cash-generating unit to which the asset belongs is determined.

The recoverable amount of an asset or a cash-generating unit is the higher of its fair value less costs to sell and its value in use.

If the recoverable amount of an asset is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. That reduction is an impairment loss.

An impairment loss of assets carried at cost less any accumulated depreciation or amortisation is recognised immediately in profit or loss. Any impairment loss of a revalued asset is treated as a revaluation decrease.

An entity assesses at each reporting date whether there is any indication that an impairment loss recognised in prior periods for assets other than goodwill may no longer exist or may have decreased. If any such indication exists, the recoverable amounts of those assets are estimated.

The increased carrying amount of an asset other than goodwill attributable to a reversal of an impairment loss does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior periods.

A reversal of an impairment loss of assets carried at cost less accumulated depreciation or amortisation other than goodwill is recognised immediately in profit or loss. Any reversal of an impairment loss of a revalued asset is treated as a revaluation increase.

1.12 Share capital and equity

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities.

Ordinary shares are classified as equity.

Ordinary shares are recognised at par value and classified as 'share capital' in equity. Any amounts received from the issue of shares in excess of par value is classified as 'share premium' in equity. Dividends are recognised as a liability in the Group in which they are declared.

1.13 Employee benefits

Short-term employee benefits
Liabilities for salaries, including non-monetary benefits, annual leave an accumulated sick leave that are expected to be settled wholly within 12 months after the end of the period in which the employees render the service are recognised in respect of the employee's services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

1.14 Provisions and contingencies

Provisions are recognised when:

- the Group has a present obligation as a result of a past event;
- it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and
- a reliable estimate can be made of the obligation.

The amount of a provision is the present value of the expenditure expected to be required to settle the obligation.

Where some or all of the expenditure required to settle a provision is expected to be reimbursed by another party, the reimbursement shall be recognised when, and only when, it is virtually certain that reimbursement will be received if the entity settles the obligation. The reimbursement shall be treated as a separate asset. The amount recognised for the reimbursement shall not exceed the amount of the provision.
Provisions are not recognised for future operating losses.

If an entity has a contract that is onerous, the present obligation under the contract shall be recognised and measured as a provision.

1.15 Revenue from contracts with customers

The Group recognises revenue from the rendering of ICT services, such as access to core network, internet services, IT services, voice call services and local area network services.

Revenue is measured based on the consideration specified in a contract with a customer. The Group recognises revenue when it transfers control of a product or service to a customer.

Provision of IT services
The standard sets out the requirements for recognising revenue from contracts with customers and has impacted how the Group recognises revenue, using a five-step process which is applied below.

1.Identify the contract
The Group has contracts in each of the following revenue streams;

- Voice traffic - primarily revenue from international voice interconnects between international telecom carriers;
- Wholesale data and other services - primarily data services sold to telecom operators;
- Enterprise data and other services - primarily data services sold to medium to large enterprises in Namibia;
- Retail data and other services - primarily data services sold to consumers and small businesses in Namibia;
- Telephony services - telephones and telephonic systems with or without the use of wires ; and
- Local area network installations - primarily the development and installation of a local area network.

2. Identify the performance obligations
The Group identifies deliverables in contracts with customers that qualify as separate "performance obligations". Some of the contracts relating to the revenue sources above contain multiple deliverables or performance obligations. The Group assesses whether there are distinct performance obligations at the start of each contract and throughout the performance of the contracts. The performance obligations identified will depend on the nature of individual customer contracts, which will typically be the provision of equipment to customers and the delivery of services provided to customers.

3. Determine the transaction price
The transaction price is measured based on the consideration specified in a contract with a customer and excludes amounts collected on behalf of third parties. The Group recognises revenue when it transfers control of a product or service to a customer, that is, when the performance obligation is satisfied.

4. Allocate the transaction price
The transaction price receivable from customers is allocated across the Group's performance obligations under the contracts on a relative stand-alone selling price basis. Revenue will then be recognised either at a point in time or over time when the respective performance obligations in a contract are delivered to the customer. Stand-alone selling prices will be based on observable sales prices and where stand-alone selling prices are not directly observable, estimates of stand-alone selling prices will be required.

5. Recognise revenue as and when the performance obligations are satisfied.

ACCOUNTING POLICIES

1.15 Revenue from contracts with customers (continued)

The Group has applied the steps set out above to each of its revenue streams, in determining its revenue recognition policy, as follows:

- **Voice traffic:** The performance obligation relating to voice traffic is to provide voice minutes for the duration of the call until termination. The transaction price is determined based on agreed upon per minute rates and the duration of the call. Revenue relating to voice is recognised at the point the call is terminated as this is the point the service is delivered to the customer. Customers are invoiced monthly based on their voice usage and a receivable is raised when the service has been delivered.

- **Wholesale data and other services:** The performance obligation relating to these service contracts consists of two parts, firstly the installation of the equipment and/or connection of the service, the Non-Recurring Revenue (NRR), and secondly the provisioning of monthly services, the Monthly Recurring Revenue (MRR).

- **Telephony services:** The performance obligation relating to these service contracts consists of two parts, firstly the installation of the equipment and/or connection of the service, the Non-Recurring Revenue, and secondly the provisioning of monthly services, the Recurring Revenue.

- **Local area network installations:** The performance obligation relating to these service contracts consists of the installation of local area network equipment, which is Non-Recurring Revenue.

In case of fixed-price contracts, the customer pays the fixed amount based on a payment schedule. If the services rendered by the Group exceed the payment, a contract asset is recognised. If the payments exceed the services rendered, a contract liability is recognised. As a practical expedient, the Group recognises the incremental costs of obtaining a contract as an expense when incurred if the amortisation period of the asset that the Group otherwise would have recognised is less than one year.

The Group has used the practical expedient not to adjust the promised amount of consideration for the effects of the significant financing component since management expects at contract inception, that the period between when a promised service is transferred to a customer and when the customer pays is less than one year.

The Group holds investments in various ICT infrastructure related projects or entities in sub-Saharan Africa. Surplus cash is invested in money market funds. The Group earns dividends from these investments.

The Group accounts for investment revenue form investments as revenue other than from contracts with customers.

1.16 Cost of sales

When inventories are sold, the carrying amount of those inventories is recognised as an expense in the period in which the related revenue is recognised. The amount of any write-down of inventories to net realisable value and all losses of inventories are recognised as an expense in the period the write-down or loss occurs. The amount of any reversal of any write-down of inventories, arising from an increase in net realisable value, is recognised as a reduction in the amount of inventories recognised as an expense in the period in which the reversal occurs.
The related cost of providing services recognised as revenue in the current period is included in cost of sales. Contract costs comprise:

- costs that relate directly to the specific contract;
- costs that are attributable to contract activity in general and can be allocated to the contract; and
- such other costs as are specifically chargeable to the customer under the terms of the contract.

1.17 Borrowing costs

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised as part of the cost of that asset until such time as the asset is ready for its intended use. The amount of borrowing costs eligible for capitalisation is determined as follows:

- Actual borrowing costs on funds specifically borrowed for the purpose of obtaining a qualifying asset less any temporary investment of those borrowings.
- Weighted average of the borrowing costs applicable to the entity on funds generally borrowed for the purpose of obtaining a qualifying asset. The borrowing costs capitalised do not exceed the total borrowing costs incurred.

The capitalisation of borrowing costs commences when:

- expenditures for the asset have occurred;
- borrowing costs have been incurred, and
- activities that are necessary to prepare the asset for its intended use or sale are in progress.

Capitalisation is suspended during extended periods in which active development is interrupted.

Capitalisation ceases when substantially all the activities necessary to prepare the qualifying asset for its intended use or sale are complete.

All other borrowing costs are recognised as an expense in the period in which they are incurred.

1.18 Translation of foreign currencies
Foreign currency transactions

A foreign currency transaction is recorded, on initial recognition in Namibia Dollars, by applying to the foreign currency amount the spot exchange rate between the functional currency and the foreign currency at the date of the transaction.

At the end of the reporting period:

- foreign currency monetary items are translated using the closing rate;
- non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction; and
- non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

Exchange differences arising on the settlement of monetary items or on translating monetary items at rates different from those at which they were translated on initial recognition during the period or in previous annual financial statements are recognised in profit or loss in the period in which they arise. When a gain or loss on a non-monetary item is recognised to other comprehensive income and accumulated in equity, any exchange component of that gain or loss is recognised to other comprehensive income and accumulated in equity. When a gain or loss on a non-monetary item is recognised in profit or loss, any exchange component of that gain or loss is recognised in profit or loss.

Cash flows arising from transactions in a foreign currency are recorded in Namibia Dollars by applying to the foreign currency amount the exchange rate between the Namibia Dollar and the foreign currency at the date of the cash flow.

NOTES TO THE FINANCIAL STATEMENTS

2. CHANGES IN ACCOUNTING POLICY

The annual financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") on a basis consistent with the prior period except for the adoption of the following new or revised standards.

Application of IFRS 16 Leases
In the current year, the Group has adopted IFRS 16 Leases (as issued by the IASB in January 2016) with the date of initial application being 01 March 2019. IFRS 16 replaces IAS 17 Leases, IFRIC 4 Determining whether an Arrangement contains a Lease, SIC-15 Operating Leases - Incentives and SIC 27 - Evaluating the Substance of Transactions Involving the Legal Form of a Lease.

IFRS 16 introduces new or amended requirements with respect to lease accounting. It introduces significant changes to the lessee accounting by removing the distinction between operating and finance leases and requiring the recognition of a right-of- use asset and a lease liability at the lease commencement for all leases, except for short-term leases and leases of low value assets. In contrast to lessee accounting, the requirements for lessor accounting have remained largely unchanged. Details of these new requirements are described in the accounting policy for leases. The impact of the adoption of IFRS 16 on the Group's annual financial statements is described below.

The Group has applied the practical expedient available in IFRS 16 which provides that for contracts which exist at the initial application date, an entity is not required to reassess whether they contain a lease. This means that the practical expedient allows an entity to apply IFRS 16 to contracts identified by IAS 17 and IFRIC 4 as containing leases; and to not apply IFRS 16 to contracts that were not previously identified by IAS 17 and IFRIC 4 as containing leases.

IFRS 16 has been adopted by applying the modified retrospective approach, whereby the comparative figures are not restated. Instead, cumulative adjustments to retained earnings have been recognised in retained earnings as at 01 March 2019.

Leases where Company is lessee

Leases previously classified as operating leases
The Group undertook the following at the date of initial application for leases which were previously recognised as operating leases:

- recognised a lease liability, measured at the present value of the remaining lease payments, discounted at the Group's incremental borrowing rate at the date of initial application.
- recognised right-of-use assets measured on a lease by lease basis, at either the carrying amount as if IFRS 16 applied from commencement date but discounted at the incremental borrowing rate at the date of initial application.

The Group did not apply IAS 36 to consider if these right-of-use assets are impaired, but rather applied the practical expedient of IFRS 16 par C10(b). In accordance with this practical expedient, the carrying amounts were adjusted with the amount of any onerous provision which existed immediately prior to the date of initial application.

The Group applied the following practical expedients when applying IFRS 16 to leases previously classified as operating leases in terms of IAS 17. Where necessary, they have been applied on a lease by lease basis:

- when a portfolio of leases contained reasonably similar characteristics, the Group applied a single discount rate to that portfolio;
- leases which were expiring within 12 months of 01 March 2019 were treated as short term leases, with remaining lease payments recognised as an expense on a systematic basis which is more representative of the pattern of benefits consumed;
- initial direct costs were excluded from the measurement of right-of-use assets at the date of initial application.
- hindsight was applied where appropriate. This was specifically the case for determining the lease term for leases which contained extension or termination options.

Impact on financial statements
On transition to IFRS 16, the Group recognised an additional N$2,538,241 of right-of-use assets and N$3,718,649 of lease liabilities, recognising the difference in retained earnings.

When measuring lease liabilities, company discounted lease payments using its incremental borrowing rate at 01 March 2019. The weighted average rate applied is 10.50%.

Reconciliation of previous operating lease commitments to lease liabilities under IFRS 16

	01 March 2019
Operating lease commitment at 28 February 2019 as previously disclosed	-
Discounted using the incremental borrowing rate at 01 March 2019	22,611 709
Lease liabilities recognised at 01 March 2019	**22,611,709**

3. NEW STANDARDS AND INTERPRETATIONS

3.1 Standards and interpretations effective and adopted in the current period

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

Standard/ Interpretation:	Effective date: Years beginning on or after	Expected impact:
IFRS 16 Leases	01 January 2019	The impact of the standard is set out in note 2 Changes in accounting policy

NOTES TO THE FINANCIAL STATEMENTS

3.2 Standards and interpretations not yet effective

The Group has chosen not to early adopt the following standards and interpretations, which have been published and are mandatory for the Group's accounting periods beginning on or after 01 July 2020 or later periods:

Standard/ Interpretation:	Effective date: Years beginning on or after	Expected impact:
3.2.1 Classification of Liabilities as Current or Non-Current - Amendment to IAS 1	01 January 2022	Unlikely there will be a material impact
3.2.2 Covid - 19 - Related Rent Concessions - Amendment to IFRS 16	01 January 2020	Unlikely there will be a material impact
3.2.3 Interest Rate Benchmark Reform: Amendments to IFRS 9, IAS 39 and IFRS 7	01 January 2020	Unlikely there will be a material impact
3.2.4 Definition of a business - Amendments to IFRS 3	01 January 2020	Unlikely there will be a material impact
3.2.5 Presentation of Financial Statements: Disclosure initiative	01 January 2020	Unlikely there will be a material impact
3.2.6 Accounting Policies, Changes in Accounting Estimates and Errors: Disclosure initiative	01 January 2020	Unlikely there will be a material impact

4. PROPERTY, PLANT AND EQUIPMENT

Group	2020			2019		
	Cost / valuation	Accumulated depreciation	Carrying value	Cost / valuation	Accumulated depreciation	Carrying value
Land and buildings	50,020,000	-	50,020,000	-	-	-
Fiber - TKF	60,225,054	(2,557,474)	57,667,580	-	-	-
Infrastructure Equipment	97,218,692	(2,368,922)	94,849,770	-	-	-
Core network assets	33,073,684	(7,264,333)	25,809,351	-	-	-
Equipment	15,246,649	(3,300,759)	11,945,890	-	-	-
Furniture & Fittings	1,201,917	(325,975)	875,942	-	-	-
Motor Vehicles	2,968,314	(451,818)	2,516,496	-	-	-
Capital work in progress	10,559,378	-	10,559,378	-	-	-
Total	**270,513,688**	**(16,269,281)**	**254,244,407**	**-**	**-**	**-**

Reconciliation of property, plant and equipment - 2020

Group	Additions through business combination	Additions / Revaluations	Disposals	Depreciation	Total
Land and buildings	47,100,000	2,920,000	-	-	50,020,000
Fiber - TKF	60,225,054	-	-	(2,557,474)	57,667,580
Infrastructure Equipment	80,245,140	16,973,552	-	(2,368,922)	94,849,770
Core network assets	31,816,951	1,256,733	-	(7,264,333)	25,809,351
Equipment	8,603,102	6,662,493	(18,946)	(3,300,759)	11,945,890
Furniture & Fittings	828,130	373,787	-	(325,975)	875,942
Motor Vehicles	2,968,314	-	-	(451,818)	2,516,496.
Capital work in progress	-	10,559,378	-	-	10,559,378
	231,786,691	**38,745,943**	**(18,946)**	**(16,269,281)**	**254,244,407**

	Group		Company	
	16 months ended 30 June 2020	12 months ended 28 February 2019	16 months ended 30 June 2020	12 months ended 28 February 2019
Property, plant and equipment encumbered as security The following assets have been encumbered as security for the secured long-term borrowings :				
Motor vehicles	141,673	-	-	-
Core network assets	74,093	-	-	-

The instalment sales agreement bears interest at a rate of 8.75% (2019: 11.50%), is secured by motor vehicles with a book value of N$ 14,673 (2019: N$ 355,103) and is repayable in monthly instalments of N$ 7,336.

The instalment sales agreement bears interest at a rate of 7.75% (2019: 10.50%), is secured by core network assets with a book value of N$ 74,093 (2019: N$ 370,466) an is repayable in equal monthly instalments of N$ 27,048.

Details of owner occupied land and buildings	Group		Company	
	16 months ended 30 June 2020	12 months ended 28 February 2019	16 months ended 30 June 2020	12 months ended 28 February 2019
Erf 232 (a portion of Erf 231), Prosperita				
- Building at cost	470,000	-	-	-
- Improvements since acquisition	1,125,306	-	-	-
- Revaluations since acquisition	9,924,694	-	-	-
	11,520,000	**-**	**-**	**-**

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.

Details of owner occupied land and buildings	Group		Company	
	16 months ended 30 June 2020	12 months ended 28 February 2019	16 months ended 30 June 2020	12 months ended 28 February 2019
Erf no. 348, Prosperita	**11,520,000**	**-**	**-**	**-**
- Building at cost	3,500,000	-		
- Improvements since acquisition	18,876,499	-		
- Revaluations since acquisition	16,123,501	-		
	38,500,000	**-**		

Property consists of Erf No. 348, Prosperita, in the Municipality of Winhoek, Registration Division "K", measuring 2,638 square metres. Registered under Deed of Transfer T5746/2008.

The effective date of the revaluations was 02 December 2019. Revaluations were performed by an independent valuer, E. Liniko (valuation surveyor) of RMC Property Services. RMC Property Services are not connected to the Group and have recent experience in location and category of the land and buildings being valued.

5. LEASES (GROUP AND COMPANY AS LESSEE)

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.

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 Group. 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 Group's incremental borrowing rate.

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:

Net carrying amounts of right-of-use assets

Reconciliation of right-of-use assets - 2020

	Opening balance	Additions	Disposal / modification	Depreciation	Carrying amount
Right-of-use asset	-	2,664,059	(292,225)	(600,147)	1,771,687

	Group		Company	
	16 months ended 30 June 2020	12 months ended 28 February 2019	16 months ended 30 June 2020	12 months ended 28 February 2019
The carrying amounts of right-of-use assets are as follows:				
Buildings	1,771,687	-	-	-
Additions to right-of-use assets since adoption of IFRS 16				
Buildings	125,470	-	-	-
Depreciation recognised on right-of-use assets				
Depreciation recognised on each class of right-of-use assets, is presented below. It includes depreciation which has been expensed in the total depreciation charge in profit or loss (note 26), as well as depreciation which has been capitalised to the cost of other assets.				
Buildings	(600,147)	-	-	-
Other disclosures				
Interest expense on lease liabilities	(174,743)	-	-	-
Expenses on short term leases included in operating expenses	(25,667)	-	-	-
Total cash outflow from leases	(817,825)	-	-	-
Lease liabilities				
The maturity analysis of lease liabilities is as follows:				
Within one year	1,048,768	-	-	-
Two to five years	1,364,059	-	-	-
	2,412,827	**-**	**-**	**-**
Non-current liabilities	1,364,059	-	-	-
Current liabilities	1,048,768	-	-	-
	2,412,827	**-**	**-**	**-**

Exposure to liquidity risk
Refer to note 38 Financial instruments and risk management for the details of liquidity risk exposure and management.

6. INTANGIBLE ASSETS

Group	2020			2019		
	Cost / Valuation	Accumulated amortisation	Carrying value	Cost / Valuation	Accumulated amortisation	Carrying value
Paratus Brand	16,616,400	(1,384,700)	15,231,700	-	-	-
Telecommunications License / Network Spectrum	241,408,500	-	241,408,500	-	-	-
Free right of use (Fiber capacity - Botswana)	25,200,000	(693,578)	24,506,422	-	-	-
Computer software	2,763,731	(833,171)	1,930,560	-	-	-
Goodwill	10,406,074	-	10,406,074	-	-	-
Customer base	1,029,250	(192,984)	836,266	-	-	-
Customer relationship - BoFiNet	2,909,900	(72,748)	2,837,152	-	-	-
Total	**300,333,855**	**(3,177,181)**	**297,156,674**	**-**	**-**	**-**

Reconciliation of intangible assets - 2020

Group	Opening balance	Additions through business combination	Additions	Disposals	Amortisation	Closing Balance
Paratus Brand	-	16,616,400	-	-	(1,384,700)	15,231,700
Telecommunications License / Network Spectrum	-	241,408,500	-	-	-	241,408,500
Computer software	-	2,576,225	187,506	-	(833,171)	1,930,560
Goodwill	-	10,406,074	-	-	-	10,406,074
Customer base	-	1,029,250	-	-	(192,984)	836,266
Free right of use (Fiber capacity - Botswana)	-	25,200,000	-	-	(693,578)	24,506,422
Customer relationship - BoFiNet	-	2,909,900			(72,748)	2,837,152
	-	**300,146,349**	**187,506**	**-**	**(3,177,181)**	**297,156,674**

Fair value information

Refer note 39 Fair value information for details of valuation policies and processes. Intangible assets at fair value are classified as leve 3 financial instruments. Level 3 financial instruments are valued at unobservable inputs for the assets. No transfers of financial instruments have been made between fair value hierarchy levels during the sixteen months ended 30 June 2020.

Other information

On 1 January 2020 the Group acquired intangible assets with a book value of N$300,146,349 through a business combination. Intangible assets are shown at cost less accumulated amortisation and impairment losses. 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.

The management's expert investigated whether qualifying intangible assets met the criteria for separate recognition by discussions with management and inspection of the management accounts, forecasts and relevant agreements/contracts relating to the Company.

Paratus brand

Paratus brand arose as a result of a business combination. The brand is shown at cost less accumulated amortisation and impairment losses. Impairment is tested annually. Paratus is a well known brand and is maintained by actively spending money to promote the brand. During the 16 months ended 30 June 2020 Paratus spent N$9,635,845 (2019: N$7,103,816) on advertising and marketing. The customer base has grown significantly since acquisition. In addition to this, the Company's revenue and profit after tax is growing, therefore there are no indications of impairment.

Goodwill

Goodwill that arose as a result of investment in subsidiary amounting to N$8,841,857 is included in intangible assets.
Goodwill acquired to the amount of N$1,564,217 is allocated to cash-generating units for the purpose of impairment testing. The allocation is made to those cash-generating units or Groups of cash-generated that are expected to benefit from the business combination in which the goodwill arose. The units or Groups of units are identified at the lowest level at which goodwill is monitored for internal management purposes, being the operating segment level.
Goodwill is not amortised but it is tested for impairment annually, or more frequently if events or changes in circumstances indicate that it might be impaired, and is carried at cost less accumulated impairment losses. There were no indications of impairment at year end.

7. INTERESTS IN SUBSIDIARIES

The following table lists the entities controlled directly and indirectly by the Group and Company, and the carrying amounts of the investments in the Company's separate financial statements.

Company interest held directly

Paratus Namibia Holdings Limited							
Name of company	Held by	% voting power 2020	% voting power 2019	% holding 2020	% holding 2019	Carrying amount 2020	Carrying amount 2019
Paratus Telecommunications (Proprietary) Limited	Paratus Namibia Holdings Limited	100%	-%	100%	-%	427,644,393	-

Group interests held indirectly

Paratus Telecommunications (Proprietary) Limited							
Name of company	Held by	% voting power 2020	% voting power 2019	% holding 2020	% holding 2019	Carrying amount 2020	Carrying amount 2019
Internet Technologies Namibia (Proprietary) Limited	Paratus	100%	-%	100%	-%	10,000	-
Paratus Properties (Proprietary) Limited	Paratus	100%	-%	100%	-%	8,933,207	-
Paratus Property Two (Proprietary) Limited	Paratus	100%	-%	100%	-%	14,498,004	-
Paratus Voice Telecommunications (Proprietary) Limited	Paratus	100%	-%	100%	-%	100	-
						23,441,311	**-**

Business combination

	Group		Company	
	16 months ended 30 June 2020	12 months ended 28 February 2019	16 months ended 30 June 2020	12 months ended 28 February 2019
Investment in subsidiary - Paratus Telecommunications (Proprietary) Limited (Namibia)	-	-	427,644,393	-

On 1 January 2020 Paratus Namibia Holdings Limited acquired the remaining 46,168 ordinary shares in Paratus in accordance with a share swap transaction, bringing the total shareholding of PNH in Paratus to 100% (29 February 2019: 51.38%). The swap consideration was settled through the issue of 20,012,431 new ordinary PNH shares allotted to Paratus Group at a pre-determined and agreed upon price of N$10.50 each for a total consideration of N$210,130,525.50. Transaction costs incurred have been expensed as consulting fees and is recognised in operating expenses.

The Board of directors is required in terms of Schedule 5 of the Namibian Stock Exchange ("NSX") Listing Requirements to provide the NSX with written confirmation from an independent professional expert that the terms of the Proposed Swap are fair and reasonable as far as the shareholders of Paratus Namibia Holdings Limited are concerned.

The value of the shares acquired in the subsidiary is determined by the fair value used in the swap agreement as determined by management's expert.

The primary valuation approach used to determine the fair value is the net asset value approach. This included performing a discounted cash flow (DCF) on Paratus and adding the remainder of the net asset value in Paratus Namibia Holdings Limited, which included the investment in money market funds and the cash and cash equivalents. The assumptions applied in this model includes the discount rate and the projected cash flows. The discount rate applied is the WACC. The projected cash flows have been computed for a period of 5 years. The assumptions are unobservable (level 3) and there is no inter-dependency between them.

At 1 January 2020 the fair value of Paratus and its subsidiaries amounted to N$445,334,269 (refer to note 33 for the list of subsidiaries). The valuation was performed by Cirrus Capital (Proprietary) Limited. A fair and reasonable assessment was conducted by PSG Capital (Proprietary) Limited.

This investment was acquired in stages. Paratus Namibia Holdings Limited previously held a 51.38% shareholding in Paratus. The Group did not control the investment in associate at that stage. The Investment in associate had a fair value amounting to N$228,901,814 at 1 January 2020.

NOTES TO THE FINANCIAL STATEMENTS

7. INTERESTS IN SUBSIDIARIES (CONTINUED)

Details of the fair value of purchase consideration, the net assets acquired and goodwill are as follows:

Fair value of consideration transferred	210,130,526
Fair value of previously held equity interest	228,901,814
Fair value of purchase consideration	439,032,340
The assets and liabilities recognised as a result of the acquisition are as follows:	
Cash and cash equivalents	1,214,305
Property, plant and equipment	234,327,539
Intangible assets	6,051,456
Telecommunications License / Network Spectrum	241,408,500
Paratus Brand	16,616,400
Free right of use (Fiber capacity - Botswana)	25,200,000
Customer relationship (Botswana Fiber Networks)	2,909,900
Loans to related parties	1,281,395
Finance lease receivables	198,448
Inventories	16,368,927
Trade receivables	38,284,384
Investments at fair value	52,314,956
Lease liabilities	(3,721,160)
Borrowings	(86,519,754)
Contract liabilities	(89,267,756)
Taxation payable	(985,500)
Provisions	(2,144,082)
Payables	(18,394,739)
Bank overdrafts	(3,125,755)
Net deferred taxation asset	(945,218)
Net identifiable assets acquired	431,072,246
Add: Goodwill	7,960,094
	439,032,340

On date of acquisition the difference between the net asset value and the fair value of the investment resulted in a goodwill amount of N$294,094,894. This amount was allocated to the following intangible assets (refer note 6):

8. INVESTMENT IN ASSOCIATES

		Group		Company	
		16 months ended 30 June 2020	12 months ended 28 February 2019	16 months ended 30 June 2020	12 months ended 28 February2019
Details of associate	**Country**	**% shareholding**	**% shareholding**	**% shareholding**	**% shareholding**
Paratus Telecommunications (Proprietary) Limited	Namibia	100%	51.38%	100%	51.38%
		N$	**N$**	**N$**	**N$**
Investment in associate - Paratus Telecommunications (Proprietary) Limited		-	195,206,465	-	190,481,401

The percentage of interest is not equal to the percentage voting rights. The Group held 51.38% interest in Paratus before acquiring 100% of the issued share capital of the Company on 1 January 2020. The Group did not exercise control over Paratus and therefore the equity method of accounting has been applied up to 31 December 2019.

The country of incorporation is the same as the principle place of business.

Summarised financial information of material associate for the period ending 31 December 2019:
Shortened statement of profit / loss and other comprehensive income - Paratus Telecommunications (Proprietary) Limited for the period ending 31 December 2019:

	31 December 2019	28 February 2019
Revenue	267,642,190	283,676,902
Other income and expenses	(248,888,963)	(269,070,700)
Profit before taxation	18,753,227	14,606,202
Taxation	(5,786,305)	(3,932,488)
Profit from continuing operations	12,966,922	10,673,714
Total comprehensive income	**12,966,922**	**10,673,714**
EBITDA	52,782,858	51,611,453
Profit share of associate	6,662,882	4,595,414

Shortened statement of financial position as at 31 December 2019 - Paratus

	31 December 2019	28 February 2019
Non-current asset	270,042,277	231,884,936
Current assets	95,177,666	70,657,497
Non-current liabilities	159,277,304	158,748,271
Current liabilities	46,557,673	46,104,094
Total net assets	**159,384,966**	**97,690,068**

Reconciliation of net assets to equity accounted investments in associates at:

	31 December 2019	28 February 2019
Interest in associate at percentage ownership (51.38%; 2019:51.38%)	81,897,865	50,234,077
Goodwill	146,080,928	144,972,388
Carrying value of investment in associate	**227,978,793**	**195,206,465**
Investment at beginning of period	195,206,465	98,639,039
Acquisitions	26,109,446	91,972,012
Share of profit	6,662,882	4,595,414
Investment at end of period	**227,978,793**	**195,206,465**

NOTES TO THE FINANCIAL STATEMENTS

8. INVESTMENT IN ASSOCIATES (CONTINUED)

During the current year, effective 1 January 2020, the Group acquired the remaining shares in Paratus whereby it became a wholly-owned subsidiary of the Group (refer note 7 Interests in subsidiaries). On 1 January 2020 the fair value of investment amounted to N$228,901,814.

On 1 January 2020 the fair value of the investment in associate was N$228,901,814 (51.38%) and the book value was N$227,978,793. The change in ownership resulted in a deemed profit on sale of disposal of associate amounting to N$923,021, included in other operating gains.

During the current year income from equity accounted earnings amounted to N$6,662,882 (2019: N$4,595,414).

The summarised information presented above reflects the financial statements of the associates after adjusting for differences in accounting policies between the Company and the associates.

The directors assess investments in associates for impairment every financial year end. The directors have not identified a material loss event, based on previous experience and future looking information, which could indicate possible impairment. Therefore no impairment has been provided for.

9. LOANS TO GROUP COMPANIES

Figures in Namibia Dollar		Group		Company	
		16 months ended 30 June 2020	12 months ended 28 February 2019	16 months ended 30 June 2020	12 months ended 28 February 2019
Related parties	**Basis of accounting**				
Canocopy (Pty) Ltd	Amortised cost	820,231	-	-	-

The loan is unsecured, bears interest at prime plus 0.25% per annum and is repayable in 156 monthly capital instalments of N$ 50 000 (excluding interest which is calculated on the outstanding balance).

Split between non-current and current portions

Figures in Namibia Dollar	Group		Company	
	16 months ended 30 June 2020	12 months ended 28 February 2019	16 months ended 30 June 2020	12 months ended 28 February 2019
Non-current assets	220,231	-	-	-
Current assets	600,000	-	-	-
	820,231	**-**	**-**	**-**

Exposure to credit risk
Loans receivable inherently expose the Group to credit risk, being the risk that the Group will incur financial loss if counterparties fail to make payments as they fall due.

Loans receivable are subject to the impairment provisions of IFRS 9 Financial Instruments, which requires a loss allowance to be recognised for all exposures to credit risk. The loss allowance for Group loans receivable is calculated based on twelve month expected losses if the credit risk has not increased significantly since initial recognition. In cases where the credit risk has increased significantly since initial recognition, the loss allowance is calculated based on lifetime expected credit losses. The loss allowance is updated to either twelve month or lifetime expected credit losses at each reporting date based on changes in the credit risk since initial recognition. If a loan is considered to have a low credit risk at the reporting date, then it is assumed that the credit risk has not increased significantly since initial recognition. On the other hand, if a loan is in arrears more than 90 days, then it is assumed that there has been a significant increase in credit risk since initial recognition.

In determining the amount of expected credit losses, the Group has taken into account any historic default experience, the financial positions of the counterparties as well as the future prospects in the industries in which the counterparties operate. Management did not consider Group loans receivable to be impaired at year end as the credit risk has not increased significantly since initial recognition and the expected credit losses calculated were immaterial. Group loans receivable will be assessed for impairment on an annual basis.

The estimation techniques explained have been applied for the first time in the current financial year, which is the first time the Group has applied IFRS 9. Group loans receivable were previously impaired only when there was objective evidence that the loan was impaired. The impairment was previously calculated as the difference between the carrying amount and the present value of the expected future cash flows. The maximum exposure to credit risk is the gross carrying amount of the loans as presented below. The Group does not hold collateral or other credit enhancements against Group loans receivable.

Credit rating framework
For purposes of determining the credit loss allowances, management determines the credit rating grades of each loan at the end of the reporting period. These ratings are determined internally, external ratings are not available.

The table below sets out the internal credit rating framework which is applied by management for loans. The abbreviation “ECL” is used to depict “expected credit losses.”

Internal credit grade	Description	Basis for recognising expected credit losses
Performing	Low risk of default and no amounts are past due.	12m ECL
Doubtful	Either 30 days past due or there has been a significant increase in credit risk since initial recognition.	Lifetime ECL (not credit impaired)
In default	Either 90 days past due or there is evidence that the asset is credit impaired.	Lifetime ECL (credit impaired)
Write-off	There is evidence indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery.	Amount is written off

Credit loss allowances
The following tables set out the carrying amount, loss allowance and measurement basis of expected credit losses for Group loans receivable by credit rating grade:

Group 2020					
Instrument	Internal credit rating (where applicable)	Basis of loss allowance	Gross Carrying amount	Loss allowance	Amortised cost
Loans to related parties					
Canocopy (Pty) Ltd	Performing	12m ECL	820,231	-	820,231

Exposure to currency risk
Refer to note 38 Financial instruments and financial risk management for details of currency risk management for Group loans receivable.

NOTES TO THE FINANCIAL STATEMENTS

10. FINANCE LEASE RECEIVABLES

Figures in Namibia Dollar	Group		Company	
	16 months ended 30 June 2020	12 months ended 28 February 2019	16 months ended 30 June 2020	12 months ended 28 February 2019
Gross investment in the lease due				
- within one year	110,338	-	-	-
- in second to fifth year inclusive	-	-	-	-
	110,338	-	-	-
less: Unearned finance income	(7,175)	-	-	-
	103,163	**-**	**-**	**-**
Present value of minimum lease payments due				
- within one year	103,163	-	-	-
- in second to fifth year inclusive	-	-	-	-
	103,163	**-**	**-**	**-**
Non-current assets	-	-	-	-
Current assets	103,163	-	-	-
	103,163	**-**	**-**	**-**

The Group entered into finance leasing arrangements for certain PABX equipment. The average term of finance leases entered into is five years. The interest inherent in the leases are 15.25%.

Exposure to credit risk
Finance lease receivables inherently exposes the Group to credit risk, being the risk that the Group will incur financial loss if counterparties fail to make payments as they fall due.

Financial lease assets were collectively assessed for impairment by analysing historic default of payment. The Group only deals with reputable counterparties with consistent payment histories and the equipment is held as collateral for non-payment. Management did not consider finance lease assets to be impaired at year end as the credit risk has not increased significantly since initial recognition and the expected losses calculated were immaterial. Finance lease assets will be assessed for impairment on an annual basis.

Finance lease receivables are subject to the impairment provisions of IFRS 9 Financial Instruments, which requires a loss allowance to be recognised for all exposures to credit risk. The loss allowance for finance lease receivables is calculated based on twelve month expected losses if the credit risk has not increased significantly since initial recognition. In cases where the credit risk has increased significantly since initial recognition, the loss allowance is calculated based on lifetime expected credit losses. The loss allowance is updated to either twelve month or lifetime expected credit losses at each reporting date based on changes in the credit risk since initial recognition. If a lease is considered to have a low credit risk at the reporting date, then it is assumed that the credit risk has not increased significantly since initial recognition. On the other hand, if a lease is in arrears more than 90 days, then it is assumed that there has been a significant increase in credit risk since initial recognition.

The estimation techniques explained have been applied for the first time in the current financial period, which is the first time the Group has applied IFRS 9. Finance lease receivables were previously impaired only when there was objective evidence that the lease was impaired. The impairment was previously calculated as the difference between the carrying amount and the present value of the expected future cash flows.

Credit loss allowances
The following tables set out the carrying amount, loss allowance and measurement basis of expected credit losses for finance lease receivables by credit rating grade:

Group 2020					
Instrument	Internal credit rating (where applicable)	Basis of loss allowance	Net investment in lease	Loss allowance	Carrying amount
Finance lease receivable	Performing	12m ECL	103 163	-	103 163

11. DEFERRED TAX

Figures in Namibia Dollar	Group		Company	
	16 months ended 30 June 2020	12 months ended 28 February 2019	16 months ended 30 June 2020	12 months ended 28 February 2019
Deferred taxation liability	(10,425,730)	-	-	-
Reconciliation of deferred taxation assets / (liabilities)				
At beginning of the year	-	-	-	-
Deferred tax acquired through business combination	17,036,426	-	-	-
Deductible temporary difference movement on property, plant and equipment	(19,764,919)	-	-	-
Deductible temporary difference movement on intangible assets	(211,730)	-	-	-
Deductible temporary difference movement on prepaid expense	(190,916)	-	-	-
Taxable temporary difference movement on unrealised foreign exchange gains / losses	224,550	-	-	-
Taxable temporary difference movement on provisions	418,563	-	-	-
Deductible temporary difference movement on income received in advance	(1,077,383)	-	-	-
Deductible temporary difference movement on work in progress	-	-	-	-
Taxable temporary difference movement on deposits by customers	2,508	-	-	-
Tax loss available for set-off against taxable future taxable income	13,989,822	-	-	-
Unused tax losses not recognised as deferred tax assets	(1,191)	-	-	-
	10,425,730	**-**	**-**	**-**

12. INVENTORIES

Figures in Namibia Dollar	Group		Company	
	16 months ended 30 June 2020	12 months ended 28 February 2019	16 months ended 30 June 2020	12 months ended 28 February 2019
Merchandise	13,735,126.00	-	-	-
Inventory write downs	-	-	-	-
	13,735,126.00	**-**	**-**	**-**

13. TRADE AND OTHER RECEIVABLES

Figures in Namibia Dollar	Group		Company	
	16 months ended 30 June 2020	12 months ended 28 February 2019	16 months ended 30 June 2020	12 months ended 28 February 2019
Financial instruments:				
Trade receivables	22,031,652	-	-	-
Loss allowance	(2,637,091)	-	-	-
Trade receivables at amortised cost	19,394,561	-	-	-
Deposits	597,732	-	-	-
Sundry debtors	380,514	-	-	-
Non-financial instruments:				
Prepayments	7,055,149	-	-	-
VAT Receivable	2,494,193	-	-	-
Total trade and other receivables	**29,922,149**	**-**	**-**	**-**
Split between non-current and current portions				
Current assets	29,922,149	-	-	-
Financial instrument and non-financial instrument components of trade and other receivables				
At amortised cost	20,372,807	-	-	-
Non-financial instruments	9,549,342	-	-	-
	29,922,149	**-**	**-**	**-**

All debtors have been ceded to First National Bank of Namibia as security for a bank overdraft (Refer note 15).

Exposure to credit risk
Trade receivables inherently expose the Group to credit risk, being the risk that the Group will incur financial loss if customers fail to make payments as they fall due.

In order to mitigate the risk of financial loss from defaults, the Group only deals with reputable customers with consistent payment histories. Each customer is analysed individually for creditworthiness before terms and conditions are offered. Customer credit limits are in place and are reviewed and approved by management. The exposure to credit risk and the creditworthiness of customers, is continuously monitored.

There have been no significant changes in the credit risk management policies and processes since the prior reporting period.

A loss allowance is recognised for all trade receivables, in accordance with IFRS 9 Financial Instruments, and is monitored at the end of each reporting period. In addition to the loss allowance, trade receivables are written off when there is no reasonable expectation of recovery, for example, when a debtor has been placed under liquidation. Trade receivables which have been written off are not subject to enforcement activities.

The Group measures the loss allowance for trade receivables by applying the simplified approach which is prescribed by IFRS 9. In accordance with this approach, the loss allowance on trade receivables is determined as the lifetime expected credit losses on trade receivables.

To measure the expected credit losses, trade receivables and contract assets have been Grouped based on shared credit risk characteristics and the days past due. The contract assets relate to unbilled work in progress and have substantially the same risk characteristics as the trade receivables for the same type of contracts. The Group has therefore concluded that the expected loss rates for trade receivables are a reasonable approximation of the loss rates for the contract assets.

There has been no significant change in the estimation techniques or significant assumptions made during the current reporting period.

The Group's historical credit loss experience does not show significantly different loss patterns for different customer segments. The provision for credit losses is therefore based on past due status without disaggregating into further risk profiles. The impact of COVID-19 is reflected in the expected loss rates below. The loss allowance provision is determined as follows:

Expected credit loss rate:	Group			
	2020		2019	
	Estimated gross carrying amount at default	Loss allowance (Lifetime expected credit loss)	Estimated gross carrying amount at default	Loss allowance (Lifetime expected credit loss)
Current: 2% (2019: 1%)	9,749,425	194,842	-	-
31 - 90 days past due: 11% (2019: 7%)	5,300,274	582,680	-	-
More than 90 days past due: 27% (2019: 22%)	6,886,920	1,859,569	-	-
Total	**21,936,619**	**2,637,091**	**-**	**-**

14. INVESTMENTS AT FAIR VALUE

Figures in Namibia Dollar	Group		Company	
	16 months ended 30 June 2020	12 months ended 28 February 2019	16 months ended 30 June 2020	12 months ended 28 February 2019
IJG Corporate Money Market Solution	39,911,073	-	-	-
Capricorn Corporate fund - money market fund	7,948,198	43,293,027	7,948,198	43,293,027
Old Mutual Corporate Fund - money market fund	67,237,556	61,491,115	67,237,556	61,491,115
	115,096,827	**104,784,142**	**75,185,754**	**104,784,142**
Details of Money market fund:				
IJG Corporate Money Market Solution				
Acquisition through business combination	38,552,080	-	-	-
Withdrawals	-	-	-	-
Deposits	-	-	-	-
Dividends	1,358,993	-	-	-
	39,911,073	**-**	**-**	**-**
Capricorn Corporate fund				
Opening balance 1 March	43,293,027	3,402,862	43,293,027	3,402,862
Withdrawals	(37,292,211)	(13,810,635)	(37,292,211)	(13,810,635)
Deposits	-	51,666,013	-	51,666,013
Dividends	1,947,382	2,034,787	1,947,382	2,034,787
	7,948,198	**43,293,027**	**7,948,198**	**43,293,027**
Old Mutual Corporate Fund				
Opening balance 1 March	61,491,115	278,688	61,491,115	278,688
Deposits	-	58,666,013	-	58,666,013
Dividends	5,746,441	2,546,414	5,746,441	2,546,414
	67,237,556	**61,491,115**	**67,237,556**	**61,491,115**
Split between non-current and current portions				
Non-current assets	-	-	-	-
Current assets	115,096,827	104,784,142	75,185,754	104,784,142
	115,096,827	**104,784,142**	**75,185,754**	**104,784,142**

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14. INVESTMENTS AT FAIR VALUE (CONTINUED)

Investments pledged as security
Money market funds do not serve as a security for any liabilities and growth pertains to dividends received on a monthly basis.

Fair value information
Refer note 39 "Fair value information" for details of valuation policies and processes.

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 sixteen months ended 30 June 2020.

Risk exposure
The investments held by the Group expose it to various risks, including credit risk, currency risk, interest rate risk and price risk. Refer to note 38 Financial instruments and risk management for details of risk exposure and the processes and policies adopted to mitigate these risks.

15. CASH AND CASH EQUIVALENTS

Figures in Namibia Dollar	Group		Company	
	16 months ended 30 June 2020	12 months ended 28 February 2019	16 months ended 30 June 2020	12 months ended 28 February 2019
Cash on hand	33,663	-	-	-
Bank balances	20,931,769	186,325	4,941,605	186,325
Bank overdraft	(43,001)	-	-	-
	20,922,431	**186,325**	**4,941,605**	**186,325**

On 1 January 2020 cash and cash equivalents with a negative balance, amounting to (N$1,911,450) was acquired through a business combination.

The Group has sufficient borrowing capacity and undrawn financing facilities to sustain its cash flow requirements for the foreseeable future.

The carrying amount of cash and cash equivalents approximates its fair value.

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 all debtors

All excess cash not immediately required for operations is invested in a money market fund to maximise returns.

Details of facilities available for future operating activities and commitments:
- Overdraft facility 20,000,000
- Contingent facility 10,020,000
- PACS collection facilities 4,000,000
- First card facility 300,000
- Wesbank revolving facility 2,500,000

Credit quality of cash at bank and short term deposits, excluding cash on hand
The credit quality of cash at bank and short term deposits, excluding cash on hand that are neither past due nor impaired can be assessed by reference to external credit ratings (if available) or by performing internal assessments of the banking institutions credibility. Credit risk exposure is managed by the Group through dealing with well-established financial institutions with high credit ratings.

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

Exposure to currency risk
Refer to note 38 "Financial instruments and financial risk management" for details of currency risk management for cash and cash equivalents.

16. SHARE CAPITAL

Figures in Namibia Dollar	Group		Company	
	16 months ended 30 June 2020	12 months ended 28 February 2019	16 months ended 30 June 2020	12 months ended 28 February 2019
Reconciliation of number of shares issued:				
Reported as at 01 March	28,710,692	10,363,407	28,710,692	10,363,407
Ordinary shares issued on 1 June 2018		8,495,400		8,495,400
Ordinary shares issued on 20 July 2018		9,851,885		9,851,885
Ordinary shares issued on 1 January 2020	20,012,431		20,012,431	
Cross-shareholding	(1,337,500)	-	-	-
	47,385,623	**28,710,692**	**48,723,123**	**28,710,692**
Issued				
Ordinary shares at N$0.01	473,856	287,107	487,231	287,107
Share premium	486,437,972	292,121,115	500,187,472	292,121,115
	486,911,828	**292,408,222**	**500,674,703**	**292,408,222**

On 1 January 2020 a share swap transaction was concluded, resulting in the issuance of 20,012,431 ordinary shares, bringing the total shares in issue to 48,723,123. The cross-holding of 1,337,500 shares held by the subsidiary in the holding company resulted in a decrease of consolidated shares. The consolidated shares in issue amounts to 47,385,623 (2019: 28,710,692).

17. BORROWINGS

Figures in Namibia Dollar	Group		Company	
	16 months ended 30 June 2020	12 months ended 28 February 2019	16 months ended 30 June 2020	12 months ended 28 February 2019
Held at amortised cost secured				
Wesbank loans [1]	257,441	-	-	-
Development Bank of Namibia [2]	79,626,772	-	-	-
	79,884,213	**-**	**-**	**-**

[1] Instalment sales agreements are payable in monthly instalments of N$ 41,932 (2019: N$ 48,708), bears interest at variable interest rates (6.75% to 8.75% (2019: 9.50% to 11.50%)) per annum and is secured by assets with a carrying amount of N$ 215,766 (2019: N$ 725,569).

[2] Loan in favour of the Development Bank of Namibia, bearing interest at 7.75% (2019: 10.50%) per annum and is repayable in monthly instalments of N$1,592,710 (2019: N$1,707,297).

Split between non-current and current portions				
Non-current liabilities	64,889,735	-	-	-
Current liabilities	14,994,478	-	-	-
	79,884,213	**-**	**-**	**-**

The above long-term loan has been secured as follows:
- Unlimited surety by B.R.J. Harmse;
- Unlimited surety by S.L.v.Z. Erasmus;
- Unlimited surety by R.P.K. Mendelsohn;
- Unlimited surety by Paratus Property Two (Pty) Ltd supported by 1st continuing coverage mortgage bond of N$34,000,000 over Erf 348, Prosperita, Windhoek;
- Limited suretyship by Binvis Investments Twelve (Pty) Ltd supported by 1st continuing coverage mortgage bond of N$11,700,000 over Erf 1018, Windhoek;
- Cession of fire cover insurance Erf 348, Prosperita, Windhoek and Erf 1018, Windhoek;
- Unlimited suretyship by Canocopy (Pty) Ltd supported by the cession of debtors.

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FINANCIAL STATEMENTS

18. PROVISIONS

Reconciliation of provisions - 2020	Group			
	Acquired through business combination	Additions	Utilised during the year	Total
Provision: CRAN regulatory levy	117,955	-	-	117,955
Provision: Audit fees	196,190	919,870	(158,400)	957,660
Salary provisions	1,829,937	4,038,294	(1,295,171)	4,573,060
	2,144,082	**4,958,164**	**(1,453,571)**	**5,648,675**

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.

Salary provisions include provision for bonuses to the amount of N$4,046,279 (2019:N$ Nil) and provision for severance pay to the amount of N$526,781 (2019: N$ Nil). 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.

19. TRADE AND OTHER PAYABLES

Figures in Namibia Dollar	Group		Company	
	16 months ended 30 June 2020	12 months ended 28 February 2019	16 months ended 30 June 2020	12 months ended 28 February 2019
Financial instruments:				
Trade payables	18,680,474	8,926	1,947	8,926
Leave pay accrual	4,715,574	-	-	-
Salary accruals	2,551,172	64,020	-	64,020
Deposits received	66,060	-	-	-
Non-financial instruments:				
VAT	1,029,882	-	-	-
	27,043,162	**72,946**	**1,947**	**72,946**
Financial instrument and non-financial instrument components of trade and other payables				
At amortised cost	26,013,280	72,946	1,947	72,946
Non-financial instruments	1,029,882	-	-	-
	27,043,162	**72,946**	**1,947**	**72,946**

Exposure to currency risk
Refer to note 38 Financial instruments and financial risk management for details of currency risk management for trade payables.

Fair value of trade and other payables
The fair value of trade and other payables approximates their carrying amounts.

20. CONTRACT LIABILITIES SUMMARY OF CONTACT LIABILITIES

Figures in Namibia Dollar	Group		Company	
	16 months ended 30 June 2020	12 months ended 28 February 2019	16 months ended 30 June 2020	12 months ended 28 February 2019
Long term portion of income received in advance	79,480,705	-	-	-
Short term portion of income received in advance	8,831,084	-	-	-
	88,311,789	**-**	**-**	**-**
Reconciliation of contract liabilities				
Opening balance	78,774,190	-	-	-
Revenue recognised on delivery of goods/services previously paid for	(15,616,553)	-	-	-
Payments received in advance of delivery of performance obligations	25,154,152	-	-	-
	88,311,789	**-**	**-**	**-**

Income received in advance mainly relates to revenue billed in advance for the Company's ICT services which includes income in advance for the Indefeasible-Right-of-Use which is amortised over a period of 20 years and other advanced billings which are amortised over a period of 1 year.

21. DIVIDEND PAYABLE

During the current period under review the directors declared a dividend of 10c per share amounting to N$4,872,312 (2019:N$Nil), which was paid on 3 July 2020. The cross-holding of 1,337,500 shares held by the subsidiary in the holding company resulted in a decrease of consolidated dividends payable. The consolidated dividends payable amounts to N$4,738,562 (2019: N$Nil).

22. REVENUE

Figures in Namibia Dollar	Group		Company	
	16 months ended 30 June 2020	12 months ended 28 February 2019	16 months ended 30 June 2020	12 months ended 28 February 2019
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 disaggregates revenue from customers as follows:				
Timing of revenue recognition				
At a point in time				
Once off revenue	18,850,328	-	-	-
Over time				
Recurring revenue	145,496,592	-	-	-
Discount allowed	(8,772)	-	-	-
		-	-	-
Total revenue from contracts with customers	**164,338,148**	**-**	**-**	**-**
Revenue other than from contracts with customers is generated from investments in money market funds and similar securities.				
Revenue other than through contracts with customers	**9,052,815**	**4,581,201**	**7,693,822**	**4,581,201**
Total revenue	**173,390,963**	**4,581,201**	**7,693,822**	**4,581,201**

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23. COST OF SALES

Figures in Namibia Dollar	Group		Company	
	16 months ended 30 June 2020	12 months ended 28 February 2019	16 months ended 30 June 2020	12 months ended 28 February 2019
Discount received	(20,513)	-	-	-
Rendering of services	63,304,242	-	-	-
Stock purchases price variances	42,067	-	-	-
Stock adjustments	525,630	-	-	-
Depreciation on core network assets (refer note 26)	14,239,190	-	-	-
	78,090,616	**-**	**-**	**-**

24. OTHER OPERATING INCOME

Figures in Namibia Dollar	Group		Company	
	16 months ended 30 June 2020	12 months ended 28 February 2019	16 months ended 30 June 2020	12 months ended 28 February 2019
Administration and management fees received	14,762	-	-	-
Bad debts recovered	261,418	-	-	-
Sundry income	6,484	-	-	-
	282,664	**-**	**-**	**-**

25. OTHER OPERATING GAINS (LOSSES)

Figures in Namibia Dollar	Group		Company	
	16 months ended 30 June 2020	12 months ended 28 February 2019	16 months ended 30 June 2020	12 months ended 28 February 2019
Gains (losses) on disposals, scrappings and settlements				
Property, plant and equipment (refer note 4)	8,070	-	-	-
Right-of-use assets - lease modification (refer note 5)	499,568	-	-	-
Deemed profit on sale of associate (refer note 8)	923,021	-	-	-
	1,430,659	**-**	**-**	**-**
Foreign exchange gains (losses)				
Net foreign exchange gains	2,127,955	-	-	-
Total other operating gains (losses)	**3,558,614**	**-**	**-**	**-**

26. OPERATING PROFIT (LOSS)

Figures in Namibia Dollar	Group		Company	
	16 months ended 30 June 2020	12 months ended 28 February 2019	16 months ended 30 June 2020	12 months ended 28 February 2019
Operating profit for the period is stated after charging (crediting) the following, amongst others:				
Auditor's remuneration - external				
Audit fees	**877,586**	**79,781**	**116,116**	**79,781**
Remuneration, other than to employees				
Administration and management fees	339,250	300,000	339,250	300,000
Consulting and professional services	4,712,939	-	2,248,408	-
Secretarial services	709,157	542,546	485,629	542,546
	5,761,346	**842,546**	**3,073,287**	**842,546**
Employee costs				
Salaries, wages, bonuses and other benefits	37,020,844	-	-	-
Leases				
Premises	113,173	-	-	-
Depreciation and amortisation				
Depreciation of property, plant and equipment (refer note 4)	16,269,281	-	-	-
Depreciation of right-of-use assets (refer note 5)	600,147	-	-	-
Amortisation of intangible assets (refer note 6)	3,177,181	-	-	-
Total depreciation and amortisation	**20,046,609**	**-**	**-**	**-**
Less: Depreciation and amortisation included in cost of sales (refer note 23)	(14,239,190)	-	-	-
Total depreciation and amortisation expensed	**5,807,419**	**-**	**-**	**-**
Expenses by nature				
The total marketing expenses, general and administrative expenses, maintenance expenses and other operating expenses are analysed by nature as follows:				
Advertising	4,219,324	11,222	20,000	11,222
Auditor's remuneration	877,586	79,781	116,116	79,781
Bad debts	279,309	-	-	-
Depreciation, amortisation and impairment	5,807,419	-	-	-
Directors remuneration	1,277,500	832,500	812,000	832,500
Employee costs	37,020,844	-	-	-
Insurance	1,672,902	-	-	-
License fees	5,028,315	-	-	-
Motor vehicle expenses	753,290	-	-	-
Operating lease charges[3]	113,173	-	-	-
Other expenses	6,884,340	359,082	450,150	359,082
Remuneration, other than to employees	5,761,346	842,546	3,073,286	842,546
Telephone	623,241	-	-	-
Travelling	384,432	69,690	20,889	69,690
	70,703,021	**2,194,821**	**4,492,441**	**2,194,821**

[3] leases which were expiring within 12 months of 01 March 2019 were treated as short term leases, with remaining lease payments recognised as an expense on a systematic basis which is more representative of the pattern of benefits consumed (practical expedient applied on a lease by lease basis).

NOTES TO THE FINANCIAL STATEMENTS

27. INVESTMENT INCOME

Figures in Namibia Dollar	Group		Company	
	16 months ended 30 June 2020	12 months ended 28 February 2019	16 months ended 30 June 2020	12 months ended 28 February 2019
Interest income				
Investments in financial assets:				
Bank and cash	17,150	-	-	-
Finance lease receivables	11,972	-	-	-
Other financial assets	-	-	-	-
Loans to group companies:				
Related parties	61,662	-	-	-
Total investment income	**90,784**	**-**	**-**	**-**

28. FINANCE COSTS

Figures in Namibia Dollar	Group		Company	
	16 months ended 30 June 2020	12 months ended 28 February 2019	16 months ended 30 June 2020	12 months ended 28 February 2019
Trade and other payables	279	-	-	-
Finance leases	18,971	-	-	-
Bank overdraft	6,073	1	1	1
Bank loan	3,824,849	-	-	-
Lease liabilities	174,743	-	-	-
Total finance costs	**4,024,915**	**1**	**1**	**1**

29. TAXATION

Figures in Namibia Dollar	Group		Company	
	16 months ended 30 June 2020	12 months ended 28 February 2019	16 months ended 30 June 2020	12 months ended 28 February 2019
Major components of the tax expense				
Current				
Local income tax - current period	-	-	-	-
Deferred				
Property, plant and equipment	19,764,919	-	-	-
Intangible assets	211,730	-	-	-
Prepaid expenses	190,916	-	-	-
Unrealised foreign gains / (losses)	(224,550)	-	-	-
Provisions	(418,563)	-	-	-
Income received in advance	1,077,383	-	-	-
Work in progress	-	-	-	-
Deposits by customers	(2,508)	-	-	-
Tax loss available for set-off against future taxable income	(13,989,822)	-	-	-
Unused tax losses not recognised as deferred tax assets	1,191	-	-	-
Consolidation adjustment - at acquisition	(869,130)	-	-	-
	5,741,566	**-**	**-**	**-**
	5,741,566	**-**	**-**	**-**
Reconciliation of the tax expense				
Reconciliation between accounting profit and tax expense				
Accounting profit	31,167,354	6,981,793	4,124,401	2,386,378
Tax at the applicable tax rate of 32% (2019: 32%)	9,973,553	2,234,174	1,319,808	763,641
Tax effect of adjustments on taxable income				
Dividends received	(2,896,901)	(1,465,984)	(2,462,023)	(1,465,984)
Expenses not deductible (no taxable income)	1,437,581	702,272	1,437,581	702,272
Income from equity accounted investments	(2,132,122)	(1,470,533)	-	-
Deemed profit on sale of investment in associate (refer note 18)	(295,367)	-	(295,367)	-
Capital profit on sale of fixed assets	(1,577)	-	-	-
Fair value adjustment (profit) / loss	-	-	-	-
Fines and penalties	3,445	71	-	71
Donations	7,356	-	-	-
Depreciation on right-of-use asset	192,047	-	-	-
Interest on lease liability	55,918	-	-	-
Payments on lease liability	(261,704)	-	-	-
Gain on lease modification	(159,862)	-	-	-
Amortisation of intangible assets resulting from business combination	688,328	-	-	-
Consolidation adjustment - at acquisition	(869,130)	-	-	-
	5,741,566	**-**	**-**	**-**

No provision has been made for 2020 taxation as the Company has no taxable income. At 30 June 2020 the Group and Company have no income taxation losses to set off against future taxable income.

NOTES TO THE FINANCIAL STATEMENTS

30. EARNINGS PER SHARE

Figures in Namibia Dollar	Group	
	16 months ended 30 June 2020	12 months ended 28 February 2019
Shares in issue		
Total number of shares in issue	47,385,623	28,710,692
Weighted number of shares in issue	35,675,523	22,763,589
Net asset value per share (cents per share)	1,091.64	1,045.27
Listed market price per share (cents per share)	1,100	1,100
Premium to net asset value	0.77%	5.24%
Capital commitments (including approved but not contracted)	N$ Nil	N$ Nil

On 1 January 2020 a share swap transaction was concluded, resulting in the issuance of 20,012,431 ordinary shares, bringing the total shares in issue to 48,723,123. The cross-holding of 1,337,500 shares held by the subsidiary in the holding company results in a decrease of consolidated shares. The consolidated shares in issue 47,385,623 (2019: 28,710,692). The weighted earnings per share and headline earnings per share for the period are calculated as follows:

	N$	N$
Earnings		
Profit for the period attributable to the equity holders of the parent	25,425,788	6,981,792
Headline adjustments:		
After taxation profit on sale of property, plant and equipment	1,304	-
Gain on lease modification	(499,568)	-
Gain on deemed disposal of investment in associate	(923,021)	-
Headline earnings	24,004,502	6,981,792
	Cents	**Cents**
Basic earnings per ordinary share (cents)	71.27	30.67
Headline earnings per ordinary share (cents)	67.26	30.67
Dividend per share (cents)	10.00	-

31. CASH GENERATED FROM OPERATIONS

Figures in Namibia Dollar	Group		Company	
	16 months ended 30 June 2020	12 months ended 28 February 2019	16 months ended 30 June 2020	12 months ended 28 February 2019
Profit before taxation	31,167,355	6,981,792	4,124,401	2,386,378
Adjusted for:				
Depreciation and amortisation	19,446,462	-	-	-
Depreciation - right-of-use asset	600,147	-	-	-
Unrealised losses on foreign exchange	1,028,516	-	-	-
Gains on disposal, scrapping and settlements of property, plant and equipment	(8,070)	-	-	-
Gains on lease modification	(499,568)	-	-	-
Gain on deemed disposal of investment in associate	(923,021)	-	(923,021)	-
Dividends received	(9,052,815)	(4,581,201)	(7,693,822)	(4,581,201)
Income from equity accounted investments	(6,662,882)	(4,595,414)	-	-
Interest received	(90,784)	-	-	-
Finance costs	3,850,172	-	1	-
Finance costs - lease liability	174,743	-	-	-
Movement in provisions	3,504,593	-	-	-
Changes in working capital				
Inventories	2,633,801	-	-	-
Trade and other receivables	14,963,465	-	-	-
Prepayments	(7,055,149)	-	-	-
Trade and other payables	8,575,475	(1,845)	(70,999)	(1,845)
Contract liabilities	(955,967)	-	-	-
	60,696,473	**(2,196,668)**	**(4,563,440)**	**(2,196,668)**

32. TAX PAID

Figures in Namibia Dollar	Group		Company	
	16 months ended 30 June 2020	12 months ended 28 February 2019	16 months ended 30 June 2020	12 months ended 28 February 2019
Balance at beginning of the period	-	-	-	-
Adjustments in respect of businesses acquired during the period	4,654,415	-	-	-
Current tax for the period recognised in profit or loss	(2,835,369)	-	-	-
Balance at end of the period	(1,972,681)	-	-	-
	(153,635)	**-**	**-**	**-**

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33. MOVEMENTS IN INVESTMENTS

Figures in Namibia Dollar	Group		Company	
	16 months ended 30 June 2020	12 months ended 28 February 2019	16 months ended 30 June 2020	12 months ended 28 February 2019
Fair value of assets acquired				
Investment in Paratus Telecommunications (Proprietary) Limited - at cost	-	89,201,701	25,691,825	89,201,701
Costs directly attributable to the acquisition	417,620	2,770,311	417,620	2,770,311
	417,620	**91,972,012**	**26,109,445**	**91,972,012**
Consideration paid				
Cash - net of issue costs	(417,620)	(2,770,311)	(26,109,445)	(2,770,311)
Equity - 11 815 ordinary shares in Paratus Telecommunications (Proprietary) Limited	-	(89,201,701)	-	(89,201,701)
	(417,620)	**(91,972,012)**	**(26,109,445)**	**(91,972,012)**
Net cash outflow on acquisition of additional investment				
Cash consideration paid - net of issue costs	(417,620)	(2,770,311)	(26,109,445)	(2,770,311)

34. CHANGES IN LIABILITIES ARISING FROM FINANCING ACTIVITIES

Reconciliation of liabilities arising from financing activities - 2020

	Group					
	Opening balance	Business combinations	Other non-cash movements	Total non-cash movements	Cash flows	Closing balance
Borrowings	-	86,519,754	-	-	(6,635,541)	79,884,213
Lease liabilities	-	3,721,160	(490,508)	(490,508)	(817,825)	2,412,827
	-	**90,240,914**	**(490,508)**	**(490,508)**	**(7,453,366)**	**82,297,040**
Total liabilities from financing activities	**-**	**90,240,914**	**(490,508)**	**(490,508)**	**(7,453,366)**	**82,297,040**

35. COMMITMENTS AND CONTINGENCIES

	Group		Company	
	16 months ended 30 June 2020	12 months ended 28 February 2019	16 months ended 30 June 2020	12 months ended 28 February 2019
Capital commitments				
Authorised but not contracted for:				
Property and equipment	**323,000,000**	**-**	**-**	**-**

The Board approved the development of a Tier-3 / PCI-compliant data centre, expected completion 2022. The total value of the data center is expected to be N$120 million. The first phase of the data center will host 140 cabinets of which 40% will be taken up by an international anchor tenant.

The board also approved the construction of the Cable Landing Station and Power Feeding Equipment totalling N$33 million (including the erf). The Cable Landing Station consists of the building and other terminal facilities (active and passive) which is required to land the Equiano Submarine Cable System.

The capital expenditure projects are to be funded from operational cash flows, cash reserves and additional debt funding. Additional debt funding to the value of N$200 million has been approved to be raised on a listed programme of which N$80 million will be utilised to refinance existing debt at a lower interest rate.

For the 2021 financial year, a further N$150 million investment into infrastructure was approved by the board. This investment will mainly be earmarked for Fiber-to-the-X (FTTx) rollout and will be funded by its cash resources.

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

36. RELATED PARTIES

Executive directors	A. Hall S.L.v.Z. Erasmus S.I. de Bruin B.R.J. Harmse
Non-executive directors	J.J. Esterhuyse H.B. Gerdes J.N.N. Shikongo M.R. Mostert S. Birch
Alternate director	RPK Mendelsohn
Members of key management	A. Hall (MD) S.L.v.Z. Erasmus (COO) S.I. de Bruin (CFO) B.R.J. Harmse (Group CEO) RPK Mendelsohn (Group CTO) S.J. Geyser N. van Rooi E.J. D'Alton G. Duvenhage C.A. van Rensburg

Relationships

Subsidiaries	Refer to note 7
Related entities (common shareholder)	Paratus Group Holdings Limited - (registered in Mauritius) Paratus Telecommunications Limited - (registered in Mauritius) Sat Space Africa Limited - (registered in Mauritius) Internet Technologies Africa Ltd - (registered in Mauritius) Paratus Telecommunications Limited - (registered in Zambia) Paratus Telecommunications (Proprietary) Limited - (registered in Botswana) Paratus Telecommunication (Proprietary) Limited - (registered in South Africa) Maxwell Technologies (Proprietary) Limited - (registered in South Africa) Paratus Telecom S.A. - (registered in Mozambique) Canocopy (Proprietary) Limited - (registered in Namibia) Internet Technologies Angola S.A. - (registered in Angola) Capricorn Investment Group Limited
Investment manager	Addessus Investments (Pty) Ltd (contract ended 1 January 2020)

36. RELATED PARTIES (CONTINUED)

Figures in Namibia Dollar	Group		Company	
	16 months ended 30 June 2020	12 months ended 28 February 2019	16 months ended 30 June 2020	12 months ended 28 February 2019
Related party balances				
Investment in associate				
Paratus Telecommunications (Proprietary) Limited	-	195,206,465	-	195,206,465
Loan accounts - Owing (to) by related parties				
Canocopy (Proprietary) Limited	820,231	-	-	-
Amounts included in trade receivables regarding related parties				
Internet Technologies Angola S.A. (registered in Angola)	23,108	-	-	-
Paratus Telecommunications (Pty) Ltd - (registered in Botswana)	13,831	-	-	-
Canocopy (Pty) Ltd - (registered in Namibia)	145,360	-	-	-
Paratus Telecommunications Ltd - South Africa	141,589	-	-	-
Amounts included in trade payables regarding related parties				
Paratus Telecommunications Ltd - Mauritius	(906,698)	-	-	-
Canocopy (Pty) Ltd	(77,069)	-	-	-
Related party transactions				
Admin fees paid to related parties				
Paratus Telecommunications (Pty)Ltd	368,750	300,000	368,750	300,000
Addessus Investments (Pty) Ltd (trading as Cirrus Capital)	626,283	2,769,293	626,283	2,769,293
Compensation to directors				
Short-term employee benefits	3,527,250	-	-	-
Non-executive director's remuneration (refer to RNC report for detail)	1,277,500	832,500	812,000	832,500
	%shares in issue	**%shares in issue**	**%shares in issue**	**%shares in issue**
Directors' interest in shares				
Total shareholding refer to directors' report for detail	34.66%	10.56%	34.66%	10.56%

37. DIRECTORS' EMOLUMENTS

Figures in Namibia Dollar

Group

Executive

2020	**Emoluments**	**Total**
Directors	3,527,250	3,527,250

Group

Non-executive

2020	**Committees fees**	**Total**
Directors	1,277,500	1,277,500

2019	**Committees fees**	**Total**
Directors	832,500	832,500

Company

Non-executive

2020	**Committees fees**	**Total**
Directors	812,000	812,000

2019	**Committees fees**	**Total**
Directors	832,500	832,500

NOTES TO THE FINANCIAL STATEMENTS

38. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

Categories of financial instruments

Categories of financial assets

Group 2020 Figures in Namibia Dollar	Notes		Fair value through profit or loss	Amortised cost	Total
Loans to group companies	9		-	820,231	**820,231**
Investments at fair value	14		115,096,827	-	**115,096,827**
Trade and other receivables	13		-	20,372,807	**20,372,807**
Cash and cash equivalents	15		-	20,922,431	**20,922,431**
			115,096,827	**42,115,469**	**157,212,296**

Group 2019 Figures in Namibia Dollar	Notes		Fair value through profit or loss	Amortised cost	Total
Investments at fair value	14		23,101,424	-	**23,101,424**
Cash and cash equivalents	15		-	186,325	**186,325**
			23,101,424	**186,325**	**23,287,749**

Company 2020 Figures in Namibia Dollar	Notes		Fair value through profit or loss	Amortised cost	Total
Investments at fair value	14		75,185,754	-	**75,185,754**
Cash and cash equivalents	15		-	4,941,605	**4,941,605**
			75,185,754	**4,941,605**	**80,127,359**

Company 2019 Figures in Namibia Dollar	Notes		Fair value through profit or loss	Amortised cost	Total
Investments at fair value	14		104,784,142	-	**104,784,142**
Cash and cash equivalents	15		-	186,325	**186,325**
			104,784,142	**186,325**	**104,970,467**

Categories of financial liabilities

Group 2020 Figures in Namibia Dollar	Notes		Amortised cost	Total
Trade and other payables	19		26,013,280	**26,013,280**
Borrowings	17		79,884,213	**79,884,213**
Lease obligations	5		2,412,827	**2,412,827**
Bank overdraft	15		43,001	**43,001**
			108,353,321	**108,353,321**

Group 2019 Figures in Namibia Dollar	Notes		Amortised cost	Total
Trade and other payables	19		72,946	**72,946**

Company 2020 Figures in Namibia Dollar	Notes		Amortised cost	Total
Trade and other payables	19		1,947	**1,947**

Company 2019 Figures in Namibia Dollar	Notes		Amortised cost	Total
Trade and other payables	19		72,946	**72,946**

Pre tax gains and losses on financial instruments

Gains and losses on financial assets

Group 2020 Figures in Namibia Dollar	Notes		Fair value through profit or loss	Amortised cost	Total
Recognised in profit or loss:					
Interest income	27		-	90,784	**90,784**
Dividend income	22		9,052,815	-	**9,052,815**
Net gains (losses)			**9,052,815**	**90,784**	**9,143,599**

Group 2019 Figures in Namibia Dollar	Notes		Fair value through profit or loss	Amortised cost	Total
Recognised in profit or loss:					
Dividend income	22		4,581,201	-	**4,581,201**

Company 2020 Figures in Namibia Dollar	Notes		Fair value through profit or loss	Amortised cost	Total
Recognised in profit or loss:					
Dividend income	22		7,693,822	-	**7,693,822**

Company 2019 Figures in Namibia Dollar	Notes		Fair value through profit or loss	Amortised cost	Total
Recognised in profit or loss:					
Dividend income	22		4,581,201	-	**4,581,201**

Gains and losses on financial liabilities

Group 2020 Figures in Namibia Dollar	Notes		Amortised cost	Total	Total
Recognised in profit or loss:					
Finance costs	28		4,024,915	-	**4,024,915**

Group 2019 Figures in Namibia Dollar	Notes		Amortised cost	Total	Total
Recognised in profit or loss:					
Finance costs	28		1	-	**1**

Company 2020 Figures in Namibia Dollar	Notes		Amortised cost	Total	Total
Recognised in profit or loss:					
Finance costs	28		1	-	**1**

Company 2019 Figures in Namibia Dollar	Notes		Amortised cost	Total	Total
Recognised in profit or loss:					
Finance costs	28		1	-	**1**

Capital risk management
The Group's objective when managing capital (which includes share capital, borrowings, working capital and cash and cash equivalents) is to maintain a flexible capital structure that reduces the cost of capital to an acceptable level of risk and to safeguard the Group's ability to continue as a going concern while taking advantage of strategic opportunities in order to maximise stakeholder returns sustainably.

The Group manages capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain the capital structure, the Group may adjust the amount of dividends paid to the shareholders, return capital to the shareholders, repurchase shares currently issued, issue new shares, issue new debt, issue new debt to replace existing debt with different characteristics and/or sell assets to reduce debt.

The Group has adopted the following capital management policies:
- Investment screening goes through a four-stage process;
- The need to raise capital in the debt and equity market is assessed with each investment opportunity;
- Proposed investment must deliver pre-defined return on investment for the investors; and
- Solvency, interest cover and liquidity requirements must be met; and
- The Group further ensures that it can meet its expected capital and financing needs at all times, having regards to the business plans, forecasts and any strategic initiatives.

The Group has both qualitative and quantitative risk management procedures to monitor the risk and sensitivities of the business. This is achieved through scenario analysis and risk assessments. From an understanding of the principal risks, appropriate risk limits and controls are defined.

38. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (CONTINUED)

Group	
2020 Total assets : Total liabilities	3 : 1
2019 Total assets : Total liabilities	4 115 : 1

Company	
2020 Total assets : Total liabilities	104 : 1
2019 Total assets : Total liabilities	4 050 : 1

The capital structure and gearing ratio of the Group and Company at the reporting date was as follows:

		Group		Company	
Figures in Namibia Dollar	Notes	2020	2019	2020	2019
Borrowings	17	79,884,213	-	-	-
Lease liabilities	5	2,412,827	-	-	-
Trade and other payables	19	27,043,162	72,946	1,947	72,946
Total borrowings		**109,340,202**	**72,946**	**1,947**	**72,946**
Cash and cash equivalents	15	(20,922,431)	(186,325)	(4,941,605)	(186,325)
Net borrowings		**88,417,771**	**(113,379)**	**(4,939,658)**	**(113,379)**
Equity		517,280,418	300,103,986	502,897,492	295,378,922
Gearing ratio		17 %	0 %	-1 %	0 %

Financial risk management

Overview
The Group is exposed to the following risks from its use of financial instruments:
- Credit risk;
- Liquidity risk; and
- Market risk (currency risk, interest rate risk and price risk).

The Group's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities.

The Audit, Risk and Compliance Committee of the Group oversees how management monitors compliance with the risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks encountered by the Group.

Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The valuation of the relevant financial instrument takes into account the effect of credit risk on fair value by including an appropriate adjustment for the risk taken.

The Group is exposed to credit risk on investment in associate, loans receivable, trade and other receivables, lease receivables and cash and cash equivalents. The investment in associate is assessed for impairment and an allowance for impairment is made where there is an identified loss event which, based on previous experience and future looking financial evidence, is evidence of a reduction in the recoverability of the cash flows.

Credit risk for exposures other than those arising on cash and cash equivalents, are managed by making use of credit approvals, limits and monitoring. The Company only deals with reputable counterparties with consistent payment histories. Each counterparty is analysed individually for creditworthiness before terms and conditions are offered. The analysis involves making use of information submitted by the counterparties as well as external bureau data (where available). Counterparty credit limits are in place. The exposure to credit risk and the creditworthiness of counterparties is continuously monitored.

The Group measures the loss allowance for trade receivables by applying the simplified approach which is prescribed by IFRS 9. In accordance with this approach, the loss allowance on trade receivables is determined as the lifetime expected credit losses on trade receivables.

Credit risk exposure arising on cash and cash equivalents is managed by the Group through dealing with well-established financial institutions with high credit ratingsand by keeping cash on hand to a relatively low level.

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

In order to calculate credit loss allowances for loans receivable and lease receivables, management determine whether the loss allowances should be calculated on a 12 month or on a lifetime expected credit loss basis. This determination depends on whether there has been a significant increase in the credit risk since initial recognition. If there has been a significant increase in credit risk, then the loss allowance is calculated based on lifetime expected credit losses. If not, then the loss allowance is based on 12 month expected credit losses. This determination is made at the end of each financial period. Thus the basis of the loss allowance for a specific financial asset could change year on year.

The maximum exposure to credit risk for the Group is presented in the table below:

Group 2020 Figures in Namibia Dollar	Notes	Gross carrying amount	Credit loss allowance	Amortised cost/fair value
Loans to group companies	9	820,231	-	820,231
Investments at fair value through profit or loss	14	115,096,827	-	115,096,827
Lease receivables	10	103,163	-	103,163
Trade and other receivables	13	23,009,897	(2,637,091)	20,372,806
Cash and cash equivalents	15	20,965,432	-	20,965,432
		159,995,550	**(2,637,091)**	**157,358,459**

Group 2019 Figures in Namibia Dollar	Notes	Gross carrying amount	Credit loss allowance	Amortised cost/fair value
Investments at fair value through profit or loss	14	104,784,142	-	104,784,142
Cash and cash equivalents	15	186,325	-	186,325
		104,970,467	**-**	**104,970,467**

The maximum exposure to credit risk for the Company is presented in the table below:

Company 2020 Figures in Namibia Dollar	Notes	Gross carrying amount	Credit loss allowance	Amortised cost/fair value
Investments at fair value through profit or loss	14	75,185,754	-	75,185,754
Cash and cash equivalents	15	4,941,605	-	4,941,605
		80,127,359	**-**	**80,127,359**

Company 2020 Figures in Namibia Dollar	Notes	Gross carrying amount	Credit loss allowance	Amortised cost/fair value
Investments at fair value through profit or loss	14	104,784,142	-	104,784,142
Cash and cash equivalents	15	186,325	-	186,325
		104,970,467	**-**	**104,970,467**

Amounts are presented at amortised cost or fair value depending on the accounting treatment of the item presented. The gross carrying amount for debt instruments at fair value through other comprehensive income is equal to the fair value because the credit loss allowance does not reduce the carrying amount. The credit loss allowance is only shown for disclosure purposes. Debt instruments at fair value through profit or loss do not include a loss allowance. The fair value is therefore equal to the gross carrying amount.

Liquidity risk
The Company is exposed to liquidity risk, which is the risk that the Company will encounter difficulties in meeting its obligations as they become due.

The Company manages its liquidity risk by effectively managing its working capital, capital expenditure and cash flows. The financing requirements are met through a mixture of cash generated from operations and long and short term borrowings. Committed borrowing facilities are available for meeting liquidity requirements and deposits are held at central banking institutions.

38. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (CONTINUED)

Group 2020 Figures in Namibia Dollar	Notes	Less than 1 year	2 to 5 years	Total contractual cashflows	Carrying amount
Non-current liabilities					
Borrowings	17	-	74,689,665	74,689,665	64,889,735
Lease liabilities	5	-	1,459,968	1,459,968	1,364,059
Current liabilities					
Trade and other payables	19	27,043,162	-	27,043,162	27,043,162
Borrowings	17	20,661,068	-	20,661,068	14,994,478
Lease liabilities	5	1,199,423	-	1,199,423	1,048,768
Dividend payable	21	4,738,562	-	4,738,562	4,738,562
Bank overdraft	15	43,001	-	43,001	43,001
		53,685,216	**76,149,633**	**129,834,849**	**114,121,765**

Group 2019 Figures in Namibia Dollar	Notes	Less than 1 year	2 to 5 years	Total contractual cashflows	Carrying amount
Current liabilities					
Trade and other payables	19	72,946	-	72,946	72,946

Company 2020 Figures in Namibia Dollar	Notes	Less than 1 year	2 to 5 years	Total contractual cashflows	Carrying amount
Current liabilities					
Trade and other payables	19	1,947	-	1,947	1,947
Dividend payable	21	4,872,312	-	4,872,312	4,872,312
		4,874,259	**-**	**4,874,259**	**4,874,259**

Company 2019 Figures in Namibia Dollar	Notes	Less than 1 year	2 to 5 years	Total contractual cashflows	Carrying amount
Current liabilities					
Trade and other payables	19	72,946	-	72,946	72,946

Foreign currency risk
The Group is exposed to foreign currency risk as a result of certain transactions and borrowings which are denominated in foreign currencies. Exchange rate exposures are managed within approved policy parameters utilising foreign forward exchange contracts where necessary. The foreign currencies in which the Group deals primarily are US Dollars and Euros.

There have been no significant changes in the foreign currency risk management policies and processes since the prior reporting period.

Exposure in foreign currency amounts
The net carrying amounts, in foreign currency of the above exposure was as follows:

US Dollar exposure:

		Group		Company	
Figures in Namibia Dollar	**Notes**	**16 months ended 30 June 2020**	**12 months ended 28 February 2019**	**16 months ended 30 June 2020**	**12 months ended 28 February 2019**
Current assets					
Trade and other receivables	13	96,513	-	96,513	-
Cash and cash equivalents	15	490,763	-	490,763	-
Current liabilities					
Trade and other payables	19	(218,939)	-	(218,939)	-
Net US Dollar exposure		**368,337**	**-**	**368,337**	**-**
Exchange rates					
The following closing exchange rates were applied at reporting date:					
Namibia Dollar per unit of foreign currency:					
US Dollar		17.325	13.994	17.325	13.994

Foreign currency sensitivity analysis
The following information presents the sensitivity of the Company to an increase or decrease in the respective currencies it is exposed to. The sensitivity rate is the rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated amounts and adjusts their translation at the reporting date. No changes were made to the methods and assumptions used in the preparation of the sensitivity analysis compared to the previous reporting period.

At 30 June 2020, if the Namibian Dollar exchange rate had been 5.000% (2019: 5.000%) higher or lower during the period, with all other variables held constant, the effect on profit or loss for the year would have been N$319,065.

Interest rate risk
Fluctuations in interest rates impact on the value of investments and financing activities, giving rise to interest rate risk.

The debt of the Group is comprised of different instruments, which bear interest at the Namibian prime-linked interest rates. Interest rates on all borrowings compare favourably with those rates available in the market.

The Group policy with regards to financial assets, is to invest cash at floating rates of interest and to maintain cash reserves in short-term investments in order to maintain liquidity, while also achieving a satisfactory return for shareholders.

There have been no significant changes in the interest rate risk management policies and processes since the prior reporting period.

38. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (CONTINUED)

Interest rate profile
The interest rate profile of interest bearing financial instruments at the end of the reporting period was as follows:

Group	Notes	Average effective interest rate		Carrying amount	
		2020	2019	2020	2019
Variable rate instruments:					
Assets					
Loans to group companies	9	8.00 %	0.00 %	820,231	-
Investments at fair value	14	5.44 %	7.05 %	115,096,827	104,784,142
Finance lease receivables	10	15.25 %	0.00 %	103,163	-
				116,020,221	**104,784,142**
Liabilities					
Borrowings	17	9.81 %	0.00 %	79,884,213	-
Bank overdraft	15	9.81 %	0.00 %	43,001	-
				79,927,214	**-**
Net variable rate financial instruments				**195,947,435**	**104,784,142**

Company	Notes	Average effective interest rate		Carrying amount	
		2020	2019	2020	2019
Variable rate instruments:					
Assets					
Investments at fair value	14	5.44 %	7.05 %	75,185,754	104,784,142
				75,185,754	**104,784,142**
Net variable rate financial instruments				**75,185,754**	**104,784,142**
Variable rate financial assets as a percentage of total interest bearing financial assets				100.00%	100.00%
Variable rate financial liabilities as a percentage of total interest bearing financial liabilities				100.00%	100.00%

Interest rate sensitivity analysis
The following sensitivity analysis has been prepared using a sensitivity rate which is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates. All other variables remain constant. The sensitivity analysis includes only financial instruments exposed to interest rate risk which were recognised at the reporting date. No changes were made to the methods and assumptions used in the preparation of the sensitivity analysis compared to the previous reporting period.

At 30 June 2020, if the interest rate had been 1.000% per annum (2019: 1.000%) higher or lower during the period, with all other variables held constant, the effect on group profit or loss for the year would have been N$1,959,474 (2019: N$1,047,841) higher or lower.

Price risk
The Company is exposed to price risk because of its investments in equity instruments which are measured at fair value. The exposure to price risk on equity investments is managed through a diversified portfolio.

There have been no significant changes in the price risk management policies and processes since the prior reporting period.

The following sensitivity analysis has been prepared using a sensitivity rate which is used when price risk internally to key management personnel and represents management's assessment of the reasonably possible change in relevant prices. All other variables remain constant. The sensitivity analysis includes only investments held at the reporting date. No changes were made to the methods and assumptions used in the preparation of the sensitivity analysis compared to the previous reporting period.

At 30 June 2020, if the price index on the investments at fair value had been 1.000% (2019: 1.000%) higher or lower during the period, with all other variables held constant, profit or loss for the year would have been N$1,150,968 (2019: N$1,047,841) higher or lower.

39. FAIR VALUE INFORMATION

Fair value hierarchy
The table below analyses assets and liabilities carried at fair value. The different levels are defined as follows:

Level 1: Quoted unadjusted prices in active markets for identical assets or liabilities that the Company can access at measurement date.

Level 2: Inputs other than quoted prices included in level 1 that are observable for the asset or liability either directly or indirectly.

Level 3: Unobservable inputs for the asset or iability.

Levels of fair value measurements
Recurring fair value measurements

Figures in Namibia Dollar	Notes	Level	Group		Company	
Assets			16 months ended 30 June 2020	12 months ended 28 February 2019	16 months ended 30 June 2020	12 months ended 28 February 2019
Non-current assets						
Intangible assets						
Paratus Brand	6	3	15,231,700	-	-	-
Telecommunications License / Network Spectrum	6	3	241,408,500	-	-	-
Free right of use (Fiber capacity - Botswana)	6	3	24,506,422	-	-	-
Customer relationship - BoFiNet	6	3	2,837,152	-	-	-
			283,983,774	**-**	**-**	**-**
Current assets						
Investments at fair value						
IJG Corporate - money market fund	14	2	39,911,073	-	-	-
Capricorn Corporate fund - money market fund	14	2	7,948,198	43,293,027	7,948,198	43,293,027
Old Mutual Corporate fund - money market fund	14	2	67,237,556	61,491,115	67,237,556	61,491,115
			115,096,827	**104,784,142**	**75,185,754**	**104,784,142**
Total			**399,080,601**	**104,784,142**	**75,185,754**	**104,784,142**

Level 2 price of the Money Market Fund was the trading price at the end of each reporting period.

Level 3 price of Intangible assets was performed on valuations from unobservable inputs for assets, refer below for detail valuation techniques and inputs used.

NOTES TO THE FINANCIAL STATEMENTS

39. FAIR VALUE INFORMATION (CONTINUED)

Intangible asset	Valuation technique	Description of valuation technique	Significant unobservable input of level 3 items	Inter-relationship between key unobservable inputs and fair value measurement
Paratus Brand	Relief from Royalty approach	Under the relief from royalty method, the value of an intangible asset is determined by reference to the value of the hypothetical royalty payments that would be saved through owning the asset, as compared to leasing the intangible asset from a third party.	Discount rates and Royalty rate based on rates in the telecommunication industry	None, the unobservable inputs are not inter-related
Telecommunications License / Network Spectrum	MEEM corroborated by market approach	The MEEM approach was used as the primary valuation methodology to value the Paratus Namibia's frequency spectrum license. The MEEM method measures the excess after-tax cash flows attributable to the intangible asset being valued after providing for the appropriate returns on other identifiable assets. The valuation results based on the MEEM was corroborated with the market approach.	Projected cash flows, discount rate and the Contributory Asset Charge (CAC)	None, the unobservable inputs are not inter-related
Free right of use (Fiber capacity - Botswana)	Replacement cost approach	Under the cost approach, the value of an intangible asset is determined based on the replacement cost of a similar asset or an asset providing similar service or utility.	"Quoted price for this utility as provided by management without further independent investigation into the price provided."	None, the unobservable inputs are not inter-related
Customer relationship - BoFiNet	MEEM corroborated by market approach	The MEEM approach was used as the primary valuation methodology to value the Paratus Namibia's frequency spectrum license. The MEEM method measures the excess after-tax cash flows attributable to the intangible asset being valued after providing for the appropriate returns on other identifiable assets. The valuation results based on the MEEM was corroborated with the market approach.	Projected cash flows, discount rate & the CAC, natural churn rate on existing customer relationships and no churn on BofiNet relationship.	None, the unobservable inputs are not inter-related

40. EVENTS AFTER THE REPORTING PERIOD

During and after the financial reporting period the international outbreak of the COVID-19 virus continued unabatingly. This has significantly affected lives, entities and economic activity around the world. The Namibian Government implemented a national "lockdown" starting at midnight on 27 March 2020. As a result of the spread of the virus and the reactions thereto, there have been material adverse financial effects locally and abroad.

In terms of IFRS, these events are "adjusting events" which occurred during the reporting period and thereafter. It is not possible to provide accurate estimates of the financial effects of the pandemic on the Group, which is inherently uncertain, but the following are potential financial effects:

- Impact on service levels and revenue;
- Foreign exchange losses due to exposure to foreign suppliers; and
- Bad debts due to customer payments defaults.

The Group has a Business Continuity Plan (BCP) in place, which sets out its response to the management of epidemics. The Group's BCP was invoked whereby an increasing proportion of our workforce were enabled to work from home, whilst arrangements for those who remained in the office were adjusted to ensure appropriate "social distancing" to protect our employees.

All essential functions, such as the network operating centre, new service provisioning and billing continued to operate uninterruptedly.

The directors have considered the impact of the pandemic on the business of the Group and believes the Group is well positioned with sufficient liquid reserves to continue as a going concern.

The Group is not only focused on managing the risks brought about by COVID-19, but also on the opportunities it creates in the accelerated digitalisation it has brought about. The Group is well positioned to benefit from this evolution, especially given its focus on growth in data, digital and financial services businesses in the execution of our strategy. The extensive interventions that have been implemented are expected to continue to safeguard the sustainability of the business in the prevailing challenging environment

During March 2020 there has been a successful judgement in favour of Paratus whereby the Company has obtained a High Court interdict against the City of Windhoek. This interdict prohibits the City of Windhoek from unlawfully stopping the roll-out of fiber infrastructure. The City of Windhoek has subsequently lodged an appeal against the interdict.

Pursuant to the cautionary announcement published on the NENS of the NSX dated 8 May 2020, with renewal of cautionary announcement dated 25 June 2020 as well as on 6 August 2020, Paratus has entered into a 15-year agreement with Blue Path Technology Company (Unlimited) and ZA Asset Management (Proprietary) Limited (collectively "Google"), to be the landing partner for the Equiano submarine cable in Namibia.

The bilateral agreement entails two facets, the first whereby Paratus acquires from ZA Asset Management (Proprietary) Limited unrestricted right to use the branch connecting Namibia to the Equiano submarine cable for own use, lease, resale or to use the relevant capacity for any legal purpose. The second being the exchange of services to be rendered by Paratus Namibia, with a total value of approximately N$260 million.

The Board approved the construction of a data center in Windhoek with a total value of N$120 million (including the erf). The data center will be 1,300 square metres in size and will host 140 cabinets of which Google as anchor tenant will occupy 50 cabinets.

The Board also approved the construction of the Cable Landing Station and Power Feeding Equipment totalling N$33 Million (including the erf). The Cable Landing Station consists of the building and other terminal facilities (active and passive) which is required to land the Equiano Submarine Cable System.

On 22 September 2020 the directors declared a final dividend of 10c per ordinary share amounting to N$4,872,312.

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SHAREHOLDERS' INFORMATION

SHAREHOLDERS' DIARY

Financial year end: 30 June

Interim financial reporting date: 31 December

Annual general meeting: 22 January 2021

Dividend declaration dates:
The Company's dividend policy is to consider an interim and a final dividend in respect of each financial year. At its discretion, the Board may consider a special dividend, where appropriate. Depending on the perceived need to retain funds for expansion or operating purposes, the Board may pass on the payment of dividends. A dividend policy was adopted that provides for a dividend pay-out of approximately 50% of profit after taxation.

The directors declared a final dividend of 10c per ordinary share. The salient dates of the dividend declared are as follows:
Declaration date: 22 September 2020
Last date to trade "cum" the distribution: 23 October 2020
Last date to register: 30 October 2020
Payment date: 13 November 2020

2020 ANALYSIS OF SHAREHOLDERS			Number of shareholders	% of shareholders	Number of shares held	% of shares held
Size of holding						
1	-	99	7	2.1	53	-
100	-	499	51	15.4	11,290	-
500	-	999	33	10.0	19,853	-
1000	-	1,999	47	14.2	57,196	0.1
2000	-	2,999	32	9.7	73,845	0.2
3000	-	3,999	12	3.6	40,045	0.1
4000	-	4,999	6	1.8	26,700	-
5000	-	10,000	42	12.7	328,537	0.7
Over 10 000			101	30.5	48,165,604	98.9
			331	**100.0**	**48,723,123**	**100.0**

2019 ANALYSIS OF SHAREHOLDERS			Number of shareholders	% of shareholders	Number of shares held	% of shares held
Size of holding						
1	-	99	6	1.9	6	-
100	-	499	50	15.6	10,605	-
500	-	999	24	7.5	13,938	0.1
1000	-	1,999	48	14.9	58,010	0.2
2000	-	2,999	28	8.7	64,665	0.2
3000	-	3,999	14	4.4	47,545	0.2
4000	-	4,999	4	1.2	17,900	0.1
5000	-	10,000	49	15.3	381,575	1.3
Over 10 000			98	30.5	28,116,448	97.9
			321	**100.0**	**28,710,692**	**100.0**

2020 TYPE OF SHAREHOLDERS	Number of shareholders	% of shareholders	Number of shares held	% of shares held
Individuals & estates	260	78.5	101,161,174	20.9
Trusts	11	3.3	214,200	0.4
Nominee Corporates	35	10.6	7,577,622	15.6
Corporate bodies	25	7.6	30,770,127	63.1
	331	**100.0**	**48,723,123**	**100.0**

2019 TYPE OF SHAREHOLDERS	Number of shareholders	% of shareholders	Number of shares held	% of shares held
Individuals & estates	251	78.2	10,233,068	35.6
Trusts	13	4.0	161,100	0.6
Nominee Corporates	35	10.9	7,563,498	26.3
Corporate bodies	22	6.9	10,753,026	37.5
	321	**100.0**	**28,710,692**	**100.0**

SIGNIFICANT SHAREHOLDERS	Number of shares held 2020	Number of shares held 2019	% of shares held 2020	% of shares held 2019
Shareholders invested in 1% or more of the Company				
Paratus Group Holdings Limited	20,012,431	-	41.10	-
Capricorn Investment Holdings Limited	8,615,176	8,615,176	17.70	30.00
Erasmus, Schalk Leipoldt van Zyl (4)	2,717,557	2,727,337	5.60	9.50
Harmse, Bartholomeus Roelof Jacobus [4]	2,207,945	2,207,945	4.50	7.70
Old Mutual Life Assurance Company (Namibia) Ltd [1]	2,000,000	2,000,000	4.10	7.00
D'Alton, Edward John [4]	1,540,974	1,540,974	3.20	5.40
Paratus Telecommunications (Pty) Ltd	1,337,500	1,337,500	2.70	4.70
Alexander Forbes Investments Namibia Limited [2]	1,256,140	1,256,140	2.60	4.40
Retirement Fund for Local Authorities and Utility Services in Namibia [2]	786,017	786,017	1.60	2.70
Investec Namibia Trustee Account (NANAM) [2]	764,838	752,934	1.60	2.60
Prudential Inflation Plus Fund [3]	461,384	461,384	0.90	1.60
Geyser, Samantha Jane [4]	384,094	384,094	0.80	1.30
Prosperity Lifecare Insurance Ltd [4]	379,500	379,500	0.80	1.30
Namdeb Provident Fund [2]	336,245	336,245	0.70	1.20
Prudential Namibia Balanced Fund [3]	333,171	333,171	0.70	1.20
Malan, Daniel Johannes [4]	311,545	311,545	0.60	1.10
Hall, Andrew [4]	304,845	304,845	0.60	1.10
	43,749,362	**23,734,807**	**89.8**	**82.7**

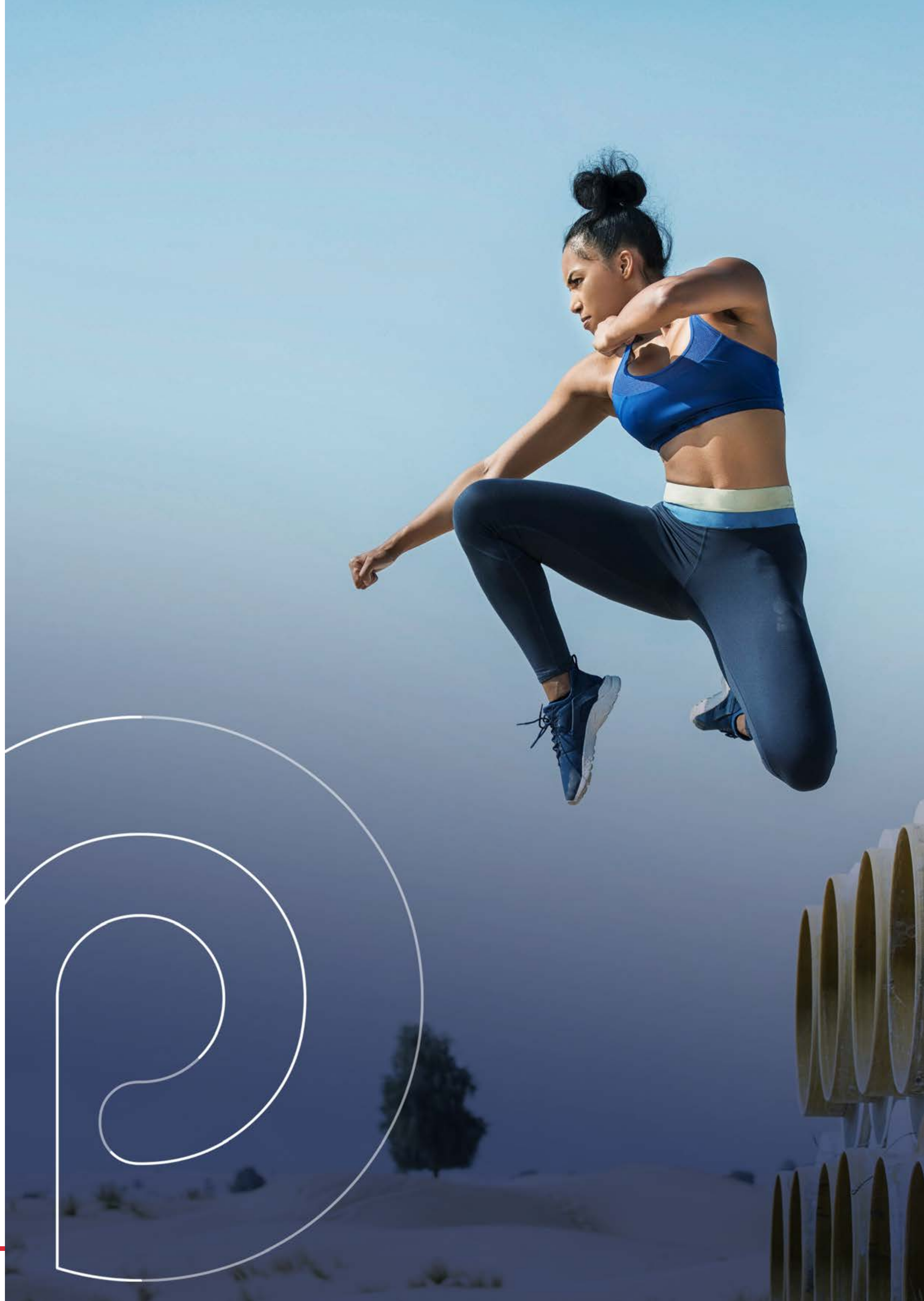
[1] In care of CBN Nominees (Pty) Ltd
[2] In care of Standard Bank Nominees (Pty) Ltd
[3] In care of FNB Nominees (Namibia) (Pty) Ltd
[4] Comparative number of shares held and the % shares held only shown for those shareholders that held 1% or more in the prior year or in the current year

SHAREHOLDERS' INFORMATION

2020 SHAREHOLDER SPREAD	Number of shareholders	% of shareholders	Number of shares held	% of shares held
Non-public				
Held by Directors: Direct	8	2.4	5,550,348	11.4
Held by Directors: Indirect	2	0.6	112,500	0.2
Holdings > 10% of issued shares	2	0.6	28,627,607	58.8
Public	319	96.4	14,432,668	29.6
TOTAL	**331**	**100.0**	**48,723,123**	**100.00**

2019 SHAREHOLDER SPREAD	Number of shareholders	% of shareholders	Number of shares held	% of shares held
Non-public				
Held by Directors: Direct	6	1.9	3,032,338	10.5
Held by Directors: Indirect	-	-	-	-
Holdings > 10% of issued shares	2	0.6	12,851,350	44.8
Public	313	97.5	12,827,004	44.7
TOTAL	**321**	**100.0**	**28,710,692**	**100.00**

SHARES TRADED AND ISSUED	2020	2019
Number of shares traded on the NSX for 16 month period (2019: 12 months)	322,421	1,101,497
Number of shares traded off market for 16 month period (2019: 12 months)	28,963	41,330
Shares traded as a weighted percentage of issued capital	0.66%	3.98%
NSX PRICE HISTORY		
16 (2019: 12) month high	11.00	11.25
16 (2019: 12) month low	10.00	10.50
Closing price 30 June (2019: 28 February)	11.00	11.00



PARATUS NAMIBIA HOLDINGS LIMITED
(Incorporated in the Republic of Namibia)
(Registration Number 2017/0558)
Share code: PNH ISIN: NA000A2DTQ42
("Paratus Namibia Holdings Limited" or "the Company")

DIRECTORS

Executive
Stefanus Isaias de Bruin (Namibian)
Schalk Leipoldt Van Zyl Erasmus (Namibian)
Andrew Hall (Namibian)
Bartholomeus Harmse (Namibian)

Independent non-executive
Hans-Bruno Gerdes (Namibian)
Josephine Naango Ndakulilwa Shikongo (Namibian)
Stuart Hilton Birch (South African)
Morné Romé Mostert (Namibian)

Non-executive
Johannes Jacobus Esterhuyse (Namibian)

NOTICE OF ANNUAL GENERAL MEETING OF PARATUS NAMIBIA HOLDINGS LIMITED SHAREHOLDERS

Notice is hereby given that the Annual General Meeting of Paratus Namibia Holdings Limited shareholders ("General Meeting") will be held at Maerua Rooftop, 5th Floor, Maerua Office Tower, Jan Jonker, Windhoek, Namibia at 10:00 on Friday, 22 January 2021.

PURPOSE

The purpose of the Annual General Meeting is to consider and, if deemed fit, to approve and adopt, with or without modification, the resolutions set out in this Notice of Annual General Meeting.

Herewith the proposed agenda and resolutions:

1. NOTICE CONVENING THE MEETING

2. APOLOGIES

3. ORDINARY RESOLUTION NUMBER 1: INTEGRATED ANNUAL REPORT

"RESOLVED AS AN ORDINARY RESOLUTION that, the Integrated Annual Report for the Company for the period ended 30 June 2020, including all the reports and the annual financial statements, be adopted."

4. ORDINARY RESOLUTION NUMBER 2: APPOINTMENT OF AUDITORS

"RESOLVED AS AN ORDINARY RESOLUTION that, it be confirmed that PricewaterhouseCoopers ("PWC") be reappointed as independent auditors to the Company for the ensuing year and that the Audit, Risk and Compliance Committee be authorised to agree their remuneration."

5. ORDINARY RESOLUTION NUMBER 3: BOARD COMPOSITION

"RESOLVED AS AN ORDINARY RESOLUTION that, the re-election of any existing directors in accordance with the Articles of Association are hereby ratified."

Motions for ratification will be moved individually.

In terms of the Company's Articles of Association, one-third of non-executive directors are subject to retirement annually but are eligible for re-election. Accordingly, Johannes Jacobus Esterhuyse and Josephine Naango Ndakulilwa Shikongo retire by rotation. Both individuals are eligible for re-election and nominated as such.

Abridged curricula vitae of these directors are available on pages 37 and 38 of this Integrated Annual Report.
With each of the following motions being moved individually:

5.1 **ORDINARY RESOLUTION 3.1:** RE-ELECTION OF JOHANNES JACOBUS ESTERHUYSE

"RESOLVED AS AN ORDINARY RESOLUTION that, the re-election of Johannes Jacobus Esterhuyse in accordance with the Companies Act and the Articles of Association be approved and ratified."

5.2 **ORDINARY RESOLUTION 3.2:** RE-ELECTION OF JOSEPHINE NAANGO NDAKULILWA SHIKONGO

"RESOLVED AS AN ORDINARY RESOLUTION that, the re-election of Josephine Naango Ndakulilwa Shikongo in accordance with the Companies Act and the Articles of Association be approved and ratified."

6. ORDINARY RESOLUTION NUMBER 4: DECLARATION OF DIVIDENDS

RESOLVED AS AN ORDINARY RESOLUTION that the dividends declared and paid, being a maiden dividend of 10 cents per ordinary share declared on 20 May 2020 and paid 03 July 2020, and a final dividend of 10 cents per ordinary share declared on 22 September 2020 and paid on 13 November 2020, be and are hereby ratified and that any past actions taken in connection to the dividend be and are hereby confirmed, ratified and indemnified.

7. ORDINARY RESOLUTION NUMBER 5: AUTHORITY TO ACTION ALL ORDINARY RESOLUTIONS

"RESOLVED AS AN ORDINARY RESOLUTION that, any director of the Company, and the Company Secretary be and is hereby authorised to do all such things as are necessary and to sign all such documents issued by the Company and take all actions as may be necessary to implement the above ordinary resolutions with or without amendment."

8. NON-BINDING ADVISORY VOTE NUMBER 1: NON-EXECUTIVE DIRECTORS' REMUNERATION FOR THE PERIOD ENDED 30 JUNE 2020

"RESOLVED AS A NON-BINDING ADVISORY VOTE that, the actual remuneration of the non-executive directors for the period ended 30 June 2020 as set out on page 66 of the Integrated Annual Report of which this notice of the general meeting forms part is hereby ratified."

9. TO TRANSACT ANY OTHER BUSINESS WHICH, UNDER THE ARTICLES OF ASSOCIATION, MAY BE TRANSACTED AT AN ANNUAL GENERAL MEETING

By order of the Board

NOTE:

1. The date on which Paratus Namibia Holdings Limited Shareholders must be recorded in the Register for purposes of being entitled to receive this notice is Thursday, 24 December 2020. The date on which Paratus Namibia Holdings Limited Shareholders must be recorded in the Register for purposes of being entitled to attend and vote at the Annual General Meeting is Friday, 08 January 2021. Accordingly, the Last Day to Trade to be entitled to attend and vote at the Annual General Meeting is Thursday, 31 December 2020. Any Paratus Namibia Holdings Limited Shareholder who holds Shares in Paratus Namibia Holdings Limited may attend, participate in and vote at the Annual General Meeting or at any adjournment thereof or may appoint any other person or persons (none of whom need be a Paratus Namibia Holdings Limited Shareholder) as a proxy or proxies, to attend, participate in and vote or abstain from voting at the Annual General Meeting or at any adjournment thereof, in such Shareholder's stead.

2. A form of proxy is attached for use by such Paratus Namibia Holdings Limited Shareholders. Such form of proxy duly completed, must be forwarded to and reach the Transfer Secretaries, by no later than 10:00 on Wednesday, 20 January 2021. The completion of a form of proxy does not preclude any Shareholder registered by the Voting Record Date from attending the Annual General Meeting. Meeting participants may be required to provide satisfactory identification. Meeting participants will be required to provide proof of identification to the reasonable satisfaction of the chairperson of the Annual General Meeting and must accordingly bring a copy of their identity document, passport or driver's license to the Annual General Meeting. If in doubt as to whether any document will be regarded as satisfactory proof of identification, meeting participants should contact the Transfer Secretaries for guidance.

3. For an ordinary resolution to be approved by Paratus Namibia Holdings Limited Shareholders, it must be supported by more than 50% of the voting rights exercised on the resolution.

SIGNED AT WINDHOEK, NAMIBIA, ON 4 DECEMBER 2020 ON BEHALF OF THE BOARD.
By order of the Board

Registered Office	P.O. Box 81588, Olympia
Prosperita	Windhoek
106 Nickel Street	Namibia 135

PARATUS NAMIBIA HOLDINGS LIMITED

PARATUS
Paratus Namibia Holdings Ltd

(Incorporated in the Republic of Namibia)
(Registration Number 2017/0558)
Share code: PNH ISIN: NA000A2DTQ42
("Paratus Namibia Holdings Limited" or "the Company")

FORM OF PROXY – FOR USE BY CERTIFICATED SHAREHOLDERS ONLY

I/We (full name in block letters): ____________________
of (address): ____________________
Telephone Number: ____________________
E-Mail Address: ____________________
being the registered shareholder of ____________________ Paratus Namibia Holdings Limited,
Do hereby appoint
____________________ of ____________________ or failing him/her
____________________ of ____________________ or failing him/her

the Chairperson of the Annual General Meeting, as my/our proxy to vote for me/us on my/our behalf at the General Meeting which will be held for the purpose of considering and, if deemed fit, approving and adopting, with or without modification, the resolutions to be proposed thereat and at each adjournment thereof and to vote for and/or against the said resolutions and/or to abstain from voting in respect of the Shares registered in my/our name(s), and at any adjournment thereof as follows:

Resolution	FOR	AGAINST	ABSTAIN
ORDINARY RESOLUTION NUMBER 1 - TO ADOPT THE INTEGRATED ANNUAL REPORT			
ORDINARY RESOLUTION NUMBER 2 – APPOINTMENT OF AUDITORS			
ORDINARY RESOLUTION NUMBER 3 – BOARD COMPOSITION			
ORDINARY RESOLUTION 3.1: RE-ELECTION OF JOHANNES JACOBUS ESTERHUYSE			
ORDINARY RESOLUTION 3.2: RE-ELECTION OF JOSEPHINE NAANGO NDAKULILWA SHIKONGO			
ORDINARY RESOLUTION NUMBER 4 – DECLARATION OF DIVIDENDS			
ORDINARY RESOLUTION NUMBER 5 - IMPLEMENTATION OF RESOLUTIONS			
NON-BINDING ADVISORY VOTE NUMBER 1 - TO RATIFY NON-EXECUTIVE DIRECTORS' REMUNERATION FOR THE PERIOD ENDED 30 JUNE 2020			

(Indicate instruction to proxy by way of a cross in space provided above.)
Unless otherwise instructed, my proxy may vote as he/she deems fit.

Signed this .... day of ....

....
Full Name and Surname

....
Signature

Note 1: A Shareholder entitled to attend and vote is entitled to appoint a proxy to attend, speak and on a poll vote in his/her stead, and such proxy need not also be a Shareholder of the Company.

Note 2: One vote per Share held by Paratus Namibia Holdings Limited Shareholders. Paratus Namibia Holdings Limited Shareholders must insert the relevant number of votes they wish to vote in the appropriate box provided or "X" should they wish to vote all Shares held by them. If the form of proxy is returned without an indication as to how the proxy should vote on a particular matter, the proxy will exercise his/her discretion as to whether, and if so, how he/she votes.

Note 3: If the Annual General Meeting is adjourned or postponed, forms of proxy submitted for the initial Annual General Meeting will remain valid in respect of any such adjournment or postponement.

Registered Office	
106 Nickel Street,	
Prosperita	P.O. Box 81588, Olympia
Windhoek	Windhoek
Namibia	Namibia

NOTES

CORPORATE INFORMATION

COMPANY REGISTRATION NUMBER: 2017/0558

Website:
https://invest.paratus.africa
Share Code: PNH
ISIN: NA000A2DTQ42

REGISTERED OFFICE

106 Nickel Street, Prosperita
Windhoek, Namibia
P.O. Box 81588
Olympia
Windhoek, Namibia

REGISTERED ADDRESS OF PARATUS

106 Nickel Street, Prosperita
Windhoek, Namibia
P.O. Box 90140
Klein Windhoek
Windhoek, Namibia
Tel: +264 83 300 1000

MANAGING DIRECTOR: NAMIBIA

Andrew Hall
Tel. +264 83 300 1000
E-mail: andrew@paratus.africa

GROUP CHIEF FINANCIAL OFFICER

Stefan de Bruin
Tel. +264 83 300 1000
E-mail: stefan@paratus.africa

GROUP CHIEF EXECUTIVE OFFICER

Barney Harmse
Tel. +264 83 300 1000
E-mail: barney@paratus.africa

COMMERCIAL BANKS

Bank Windhoek Limited
Head Office
262 Independence Avenue
Windhoek, Namibia
P.O. Box 15
Windhoek, Namibia

First National Bank Namibia
FNB Windhoek Parkside Head Office
130 Independence Avenue c/o Fidel Castro
Windhoek, Namibia
P.O. Box 195
Windhoek, Namibia

COMPANY SECRETARY

Cronjé Secretarial Services (Proprietary) Limited
1 Charles Cathral Street
Windhoek, Namibia
P.O. Box 81588
Olympia
Windhoek, Namibia
Tel: +264 81 319 8200
E-mail: cronje@cronjelaw.com
www.cronjelaw.com

AUDITORS AND REPORTING ACCOUNTANT

PricewaterhouseCoopers (Chartered Accountants (Namibia))
Registered Accountants and Auditors
344 Independence Avenue
Windhoek, Namibia
P.O. Box 1571
Windhoek, Namibia
Tel: +264 61 284 1000

CIRRUS CAPITAL

45 Nelson Mandela Avenue
Windhoek, Namibia
P.O. Box 81009
Windhoek, Namibia
Cell: +264 81 675 6401
Cell: +264 85 551 3649
E-mail: rowland@cirrus.com
www.cirrus.com.na

INDEPENDENT EXPERT

PSG Capital (Proprietary) Limited
1st Floor,
Ou Kollege Building
35 Kerk Street
P.O. Box 7403
Stellenbosch, 7599
South Africa
Tel: +27 21 887 9602
Fax: +27 21 887 9624
E-mail: cronje@cronjelaw.com
www.cronjelaw.com

SPONSOR

Simonis Storm Securities
4 Koch Street
Klein Windhoek
Windhoek, Namibia
P.O. Box 3970
Windhoek, Namibia
Tel: +264 61 254 194
E-mail: info@sss.com.na
www.sss.com.na/
Tel: +264 83 300 1000

LEGAL ADVISORS

Cronjé & Co
1 Charles
Cathral Street
Windhoek, Namibia
P.O. Box 81588
Olympia ,Windhoek, Namibia
Tel: +264 61 247435/7
E-mail: info@cronjelaw.com
www.cronjelaw.com Continued
Tel: +264 83 300 1000

ENS Africa
3rd Floor, Unit 4
LA Chambers
Ausspann Plaza
Dr. Agostinho Neto Road
Windhoek, Namibia
Private Bag 12007
Ausspannplatz
Windhoek
Namibia
Tel: +264 61 379 700
E-mail : infoWDH@ENSafrica.com