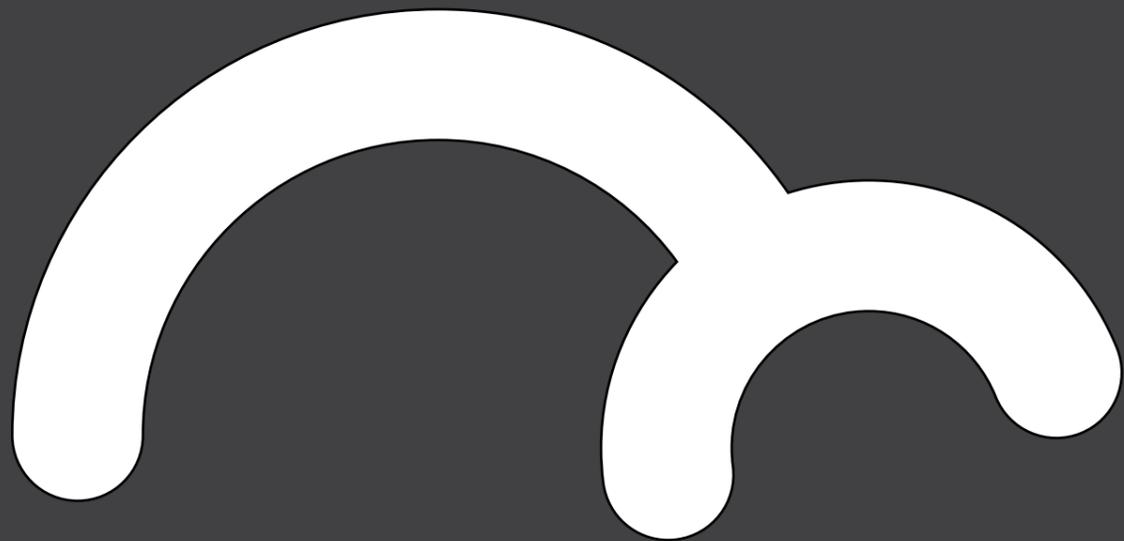


nimbus
INFRASTRUCTURE LIMITED

INTEGRATED ANNUAL REPORT
for the period ended 28 February 2018



Welcome to NIMBUS INFRASTRUCTURE LIMITED

Nimbus Infrastructure Limited is a Capital Pool Company jointly managed by Paratus and Cirrus Capital with the objective of pursuing investments in the Information Communication and Technology Sector in sub-Saharan Africa.

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The background features a complex digital interface with a blue and white color scheme. A hand is shown interacting with a glowing globe in the center. Surrounding the globe are various data visualizations, including bar charts, line graphs, and circular progress indicators. The interface is overlaid on a dark blue background with a grid pattern and various icons representing technology and infrastructure. The overall aesthetic is clean, modern, and high-tech.

**OVERVIEW OF
NIMBUS
INFRASTRUCTURE
LIMITED**

OVERVIEW OF NIMBUS INFRASTRUCTURE LIMITED

28 FEBRUARY 2018

On 6 October 2017 Nimbus Infrastructure Limited (“Nimbus”) was listed on the Namibian Stock Exchange (“NSX”) through a private placement. Nimbus is the first ever Capital Pool Company (“CPC”) listed on the NSX.

The Nimbus listing boasts exciting opportunities for Namibia, as not only does it focus on the fast-growing ICT sector across the continent, but in so doing, it offers a strong diversification opportunity for the funds of institutions and individuals alike, allowing diversified jurisdiction, currency and sector returns for investors. Further to this, as Namibia’s first CPC, Nimbus represents an opportunity

to prove a new concept that will likely form a critical part of the future development of the Namibian “real estate and financial sectors,” the NSX said in a statement.

Nimbus allows opportunities to utilise local discretionary and contractual savings to play a key role in the development of the Namibian economy for the benefit of the Namibian people. Saving and investing is critical for an economy as investment drives increases in productive capacity and long-term growth, vital for wealth and job creation, and ultimately poverty reduction.

INTRODUCING THE REPORT

Nimbus Infrastructure Limited and its associate (‘Nimbus’/‘Company’) takes pleasure in presenting its first Integrated Annual Report for the period ended 28 February 2018 to stakeholders.

Nimbus recognises the role and importance of integrated reporting in demonstrating its ability to create and sustain value across all components, including its performance in, and commitment to economic, social, and environmental sustainability for the ultimate benefit of all its stakeholders.

Therefore, this Integrated Annual Report represents its best efforts to align its reporting with the requirements and principles of the NamCode, International Financial Reporting Standards (‘IFRS’) and the Companies Act of Namibia.

SCOPE AND BOUNDARY

The report covers the Company’s business, sustainability and financial activities from the date of incorporation on 30 June 2017 to 28 February 2018.

Due to size and the nature of Nimbus, we have compiled a concise Integrated Annual Report, containing the full Annual Financial Statements and thus no summarised Integrated Annual Report is issued separately.

ASSURANCE

This Integrated Annual Report contains forward-looking statements which are made based on underlying uncertainties. The Company 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.

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 annual financial statements set out on pages 51 to 54 and expressed an unmodified audit opinion.

RESPONSIBILITY OF THE INTEGRATED ANNUAL REPORT

The Board is responsible for the integrity of integrated reporting. The Risk, Audit and Compliance Committee (“RACC”) has been tasked by the Board to assist in overseeing the integrity of the Integrated Annual Report. As part of this assigned responsibility, the RACC recommend the annual financial statements for approval by the Board. The overseeing of sustainability issues in the Integrated Annual Report has also been delegated to the RACC.

WHO ARE WE

PURPOSE

Nimbus was established with the express purpose of being listed on the NSX as a Capital Pool Company looking to acquire Viable Assets that satisfy the “ICT sector” investment criterion and are primarily geographically located in sub-Saharan Africa.

WHAT IS A CPC

CPCs, or Special Purpose Acquisition Companies as they are known elsewhere, are structures that have been used in a number of countries around the world, but are new to Namibia. These companies are cash shells that are listed on the stock exchange for the purpose of capital raising, ultimately to purchase or develop assets that fulfil a set of predetermined criteria, as stipulated in the Company’s listing documentation.

RATIONALE

The ICT sector has experienced significant expansion across the world over the past four decades. However, while this growth largely took place in the 1980s, 1990s and 2000s in advanced economies, many developing countries lagged behind. Over the past two decades, many sub-Saharan African countries have started to catch up with the developed countries, and have seen significant growth in internet penetration rates, as well as large increases in bandwidth availability and use.

It is against this backdrop that Nimbus has been established to identify opportunities and acquire Viable Assets located in sub-Saharan Africa.

The following are the key points in relation to the rationale for listing:

- Increased Local Asset Requirements;
- Diversification;
- Access to funding;
- Credibility;
- Scale; and
- Co-investing

PROFILE

Nimbus is a Capital Pool Company listed in the ‘Technology, Technology Hardware and Equipment, Telecommunications Equipment’ sector on the Namibian Stock Exchange (‘the NSX’). The Company was listed on 6 October 2017.

OUR ASSETS

Paratus Acquisition – 26.5%:

On 26 January 2018 Nimbus acquired an effective see-through economic interest of 26.5% in Paratus for the total aggregate consideration of N\$95 million as follows.

- an initial cash payment of N\$20 million to acquire 8% of the issued share capital in Paratus (prior to the dilution effect caused by the events in (ii) below) from Cuvelai Telecommunications (Pty) Ltd; and
- 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%, resulting in an effective 20.1% dilution of existing shareholders.

The rationale for the transaction:

• Exposure to Paratus - Diversification of revenue streams

By obtaining exposure to Paratus, Nimbus has immediate exposure to the current revenue and profits of Paratus, as well as the asset base, which consists of, amongst others, terrestrial and urban infrastructure. Further to this, the Company is in the process of constructing the Trans Kalahari Fiber (“TKF”) Line from Swakopmund via Windhoek to Buitepos (Botswana border), providing Nimbus with exposure to the earnings generated by the TKF Line, with expectations for bandwidth sales to various entities across the continent.

A shareholding in Paratus provides Nimbus with a strong base from which to pursue further investments across the country and the African continent.

• Alignment of interest between the Nimbus Manager and shareholders;

Through Nimbus investing directly into Paratus, many of the perceived conflicts of interest between the parties can be mitigated or removed.

• Further capital raising;

The transaction does not preclude further investments by Nimbus, but rather creates a strong foundation from which to raise further capital, be it debt or equity, for further projects and acquisitions.

• Main board listing;

The transaction will see the majority of the capital raised by Nimbus invested into a Viable Asset, which shall result in Nimbus making an early transition from a CPC to a main board listing on the NSX.

OUR ASSETS (continued)

WHO ARE WE *(continued)*

Paratus Acquisition – 51.4%:

In a circular dated 27 March 2018, Nimbus announced a proposed share swap agreement by Nimbus to increase its shareholding from 26.5% to 51.4% in Paratus. The circular also included a rights issue to reduce the dilution effect of the share swap transaction. On 17 April 2018 the Nimbus shareholders approved an ordinary resolution to proceed with the share swap transaction and the rights issue.

- i. In terms of the share swap transaction Nimbus will acquire 24.9% of the issued share capital in Paratus, consisting of 8 815 ordinary shares held by Cuvelai Telecommunications (Pty) Ltd (“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 consists of the issue of 8 495 400 new ordinary shares in Nimbus allotted to the sellers at a pre-determined and agreed upon price of N\$10.50 (ten Namibia Dollars and fifty cents) each and a total value of N\$89 201 700
- iii. The issue of the 8 495 400 new ordinary shares in Nimbus on 1 June 2018 caused a dilution of 45% to all current shareholders.

Qualifying shareholders will be entitled to subscribe for 15 545 085 rights issue shares. Holders shall be entitled to subscribe for 15 rights issue shares for every 10 shares held at the subscription price of N\$10.50 per rights issue share.

The dilution caused by the share swap transaction will be reduced to 24.74%, to current shareholders (excluding share swap participants).

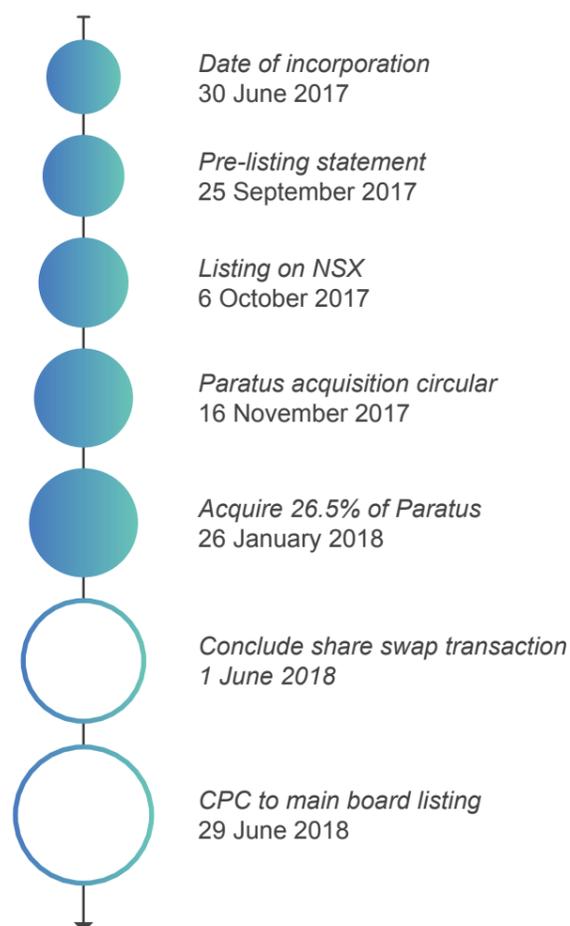
The rationale for the swap transaction is to increase the exposure to the ICT sector. A majority shareholding in Paratus will ensure that Nimbus secures a firm foothold in the ICT sector, which will serve as a stable platform for future growth and expansion. Paratus will be a subsidiary of Nimbus and its financial results will be consolidated into Nimbus’ financial reports.

A controlling interest in Paratus secures strategic control of the TKF Line, which is believed will play an instrumental role in the future private sector growth in the ICT sector in Namibia and establish Nimbus as an integral player in Paratus, with a proven investment track record, which will secure Nimbus access to the Paratus Group investment pipeline in the rest of sub-Saharan Africa.

Nimbus intends to expand in a sustainable manner by way of strategically making further acquisitions and investments in the ICT sector. A controlling interest in Paratus will make Nimbus an attractive investment partner, as Nimbus will be able to unlock unique synergies from future investment opportunities through its strategic alliance with Namibia’s largest independent telecommunications operator, Paratus.

This transaction will see the majority of the capital raised by Nimbus invested into Viable Assets.

SIGNIFICANT EVENTS IN THE NIMBUS HISTORY



WHO ARE WE *(continued)*

MATERIAL CONTRACTS

Save for the Acquisition Agreements, Management Agreement, Investment Agreement and Employment agreements with executive directors, Nimbus has not entered into any material contracts, other than in the ordinary course of business carried on, or proposed to be carried on, by Nimbus since incorporation, or entered into at any time and containing an obligation or settlement that is material to Nimbus. A summary of the management agreement and the Investment agreement follow below:

Management Agreement

The Board has outsourced the day-to-day management of Nimbus to the Manager, by way of the Management Agreement, without any remuneration until the acquisition of a Viable Asset. The agreement commenced on the Listing Date and will continue for a period of five years. The Management Fees shall be a quarterly fee, calculated as one quarter of 0.5% of the total value of the all the assets acquired or invested in by Nimbus. The acquisition of the interest in Paratus shall be excluded from the ambit of the Management Agreement due to it being a direct investment into the Manager. An amount of N\$15 000 per month has been paid to the manager. Subsequent to year end the RNC approved an additional N\$15 000 per month payable to the Manager.

Appointment of Paratus as Manager:

- The proposed acquisition will create a strategic alignment of interests between Nimbus and Paratus. This alignment of interests established by a strategic shareholding in Paratus mitigates the risk of profit shifting and imbalances in negotiation power.
- As the shareholding in Paratus will place a minimal additional administrative burden on the Manager, the Manager has waived its management fee that would have been payable subsequent to the implementation of the acquisition.
- The Acquisition Agreements include various minority protections to address the imbalance of power that might exist between minority and majority shareholders.

Investment Agreement

The Board has outsourced the investment management of Nimbus to the Investment Manager, by way of the Investment Agreement for the sourcing, identifying, investigating and assessing of potential acquisitions of Viable Assets and exit strategies, and presenting these to Nimbus’s Board and/or Investment Committee for approval. This Agreement commences on the date upon which Nimbus’s shares are first admitted to listing on the NSX and shall, unless terminated as provided for in the agreement, continue for the 24 months from the date of listing of Nimbus, during which period Nimbus must complete the acquisition of Viable Assets, after which it shall terminate, unless renewed. The acquisition of Viable Assets was completed on 26 January 2018, when the 26,5% interest in Paratus was acquired, subsequently the Investment agreement was renewed. The Investment Manager, Cirrus Capital (“Cirrus”) 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.

HOW DO WE CREATE VALUE

Socio-economic benefits of internet penetration:

Employment

A 2009 study by Katz & Suter defined the major benefits to an economy’s aggregate employment after a certain level of broadband penetration is achieved:

- Acceleration of innovation resulting from the introduction of new applications and services (with the consequent creation of employment).
- Improvement of productivity as a result of the adoption of more efficient business processes enabled by broadband, where it was found that companies adopting broadband-based processes also improved their employees’ labour productivity on average by 5% in manufacturing and by 10% in services.
- The possibility of attracting employment from other regions as a result of the ability to process information and provide services remotely.

Consumers

A 2011 study by Richard Hayes listed the following benefits to the consumer from increased penetration, and fiber-to-the-home (“FTTH”) initiatives.

- E-health: Fiber makes it possible to home-monitor patients or the elderly, but also provides the opportunity to better provide health information to the public and training and support by health professionals, especially in rural areas.
- E-education can reduce the need to travel to class and research and courses can be done more remotely.
- E-government options are information and resource provision for citizens, transactions between government and citizens (e.g. applying for licences and paying for tickets) as well as the exchange of specifications, data and images with businesses.
- Home-based services: Broadband enables home entertainment and other home-based services such as home security, utility monitoring and control and home automation.
- Smart grid is a way of achieving digital control over balancing electricity supply, demand and transmission capability. The smart grid demands reliability and physical security and existing broadband networks are often poorly capable of processing the steady stream of data that is created.
- Transport: Faster broadband can be used to improve transport via improvements in household and business trip planning and congestion avoidance from receiving more detailed and more frequent traffic information. Centralised traffic monitoring and management by roads authorities may also benefit from backhaul and other fixed line improvements.
- Teleworking results in reduced travel time, stress and travel costs for the consumer. Indirect benefits are reduced congestion and environmental impact because of reduced travel.
- Cloud computing enables consumers to access all of their documents and data from any device with internet access.

WHO ARE WE *(continued)*

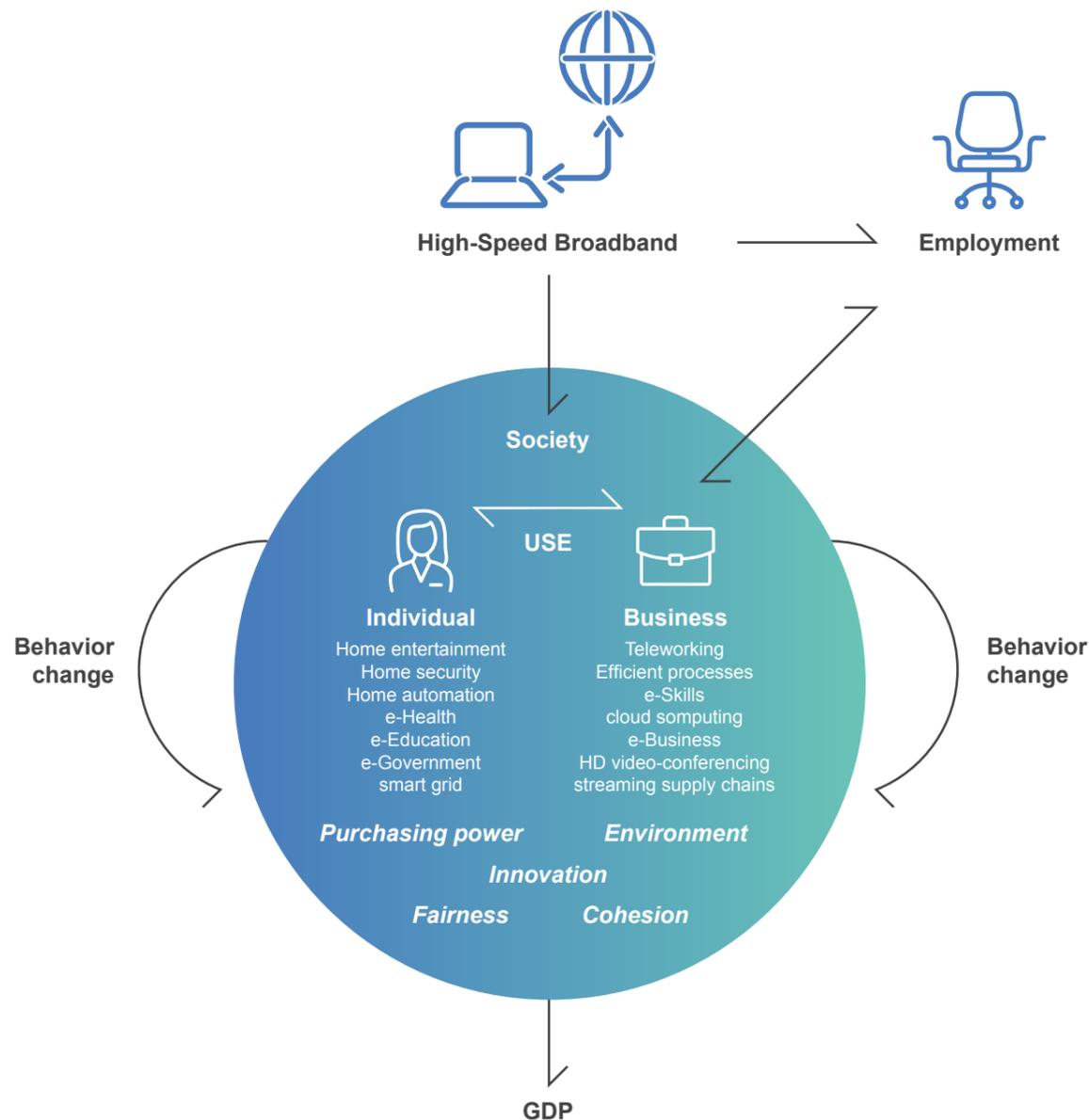
HOW DO WE CREATE VALUE *(continued)*

Businesses

Business use of high speed broadband allows for many advantages, especially in firm efficiency. Examples of more efficient business processes are marketing, inventory optimisation and streamlining of supply chains. Other advantages are high definition video conferencing and cloud computing as well as new forms of commerce and financial intermediation. Besides advantages for production processes, high-speed broadband connectivity also allows for teleworking, which not only reduces travel time, but also expenses on office rent, travel costs and operational efficiencies and costs (lighting, electricity, cleaning staff, etc.). Furthermore, it has been shown that high speed broadband leads to a reduction of excess inventories and business revenue growth, especially in the service and manufacturing industries.

Reducing inequality through digital innovation

A 2014 study by the Young Foundation illustrates the importance of digital social innovation and how the use of digital technology to enable new or more effective solutions to social problems or needs reduces inequality. The study emphasises the many digital innovations that are or have been developed to connect, mobilise and empower people, communities, organisations and sectors to help them shape their environments, solve problems and improve lives.



WHO ARE WE *(continued)*

ACHIEVEMENTS IN 2018

During the period we made great strides towards our milestones set.

Our business model describes how we operate, by setting out, in terms of the six capitals, our inputs, activities, outputs and outcomes.

	INPUTS	ACTIVITIES	OUTPUTS	OUTCOMES
FINANCIAL CAPITAL 	Capital raised; Funding	Financial accounting; Debt management; and investments	Investments; Revenue generated; Profits generated	Return on investment; Growth prospects; Acquisition strategy
MANUFACTURED CAPITAL 	Fiber line; TKF Line	Converting resources into shareholder returns	Technology and infrastructure enhancement; Capital growth	Improved bandwidth; Internet access for the people
HUMAN CAPITAL 	Management agreement; Investment agreement; Providing the necessary: Staff Skills Knowledge Experience	Ongoing engagement with service providers and other stakeholders	Performance measured against service level agreements	Informed decision making; Effective and efficient operations
SOCIAL AND RELATIONSHIP CAPITAL 	NamCode principles	Engaging with communities and other stakeholders; Improve social impact	Infrastructure development; Improved sustainability; Employment; Businesses; Customers	Improved economy; Improved community; Sustainable business
NATURAL CAPITAL 	Natural resources	Accurate assessment of resources and reserves; Impact on environment	Reservation of natural environment and the livelihood of future generations	Responsible corporate citizen
INTELLECTUAL CAPITAL 	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	Ethical culture; Effective controls; Execution of effective strategy

WHO ARE WE *(continued)*

OUR STAKEHOLDERS

Our relationships 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 identify and address opportunities and risks.

COMPANY STAKEHOLDERS	WHAT MATTERS TO THEM	WHAT MATTERS TO US	HOW WE COMMUNICATE
 Shareholders and potential future investors	Return on investment; Growth prospects; Acquisition strategy; Compliance with regulatory requirements	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 Annual Report; Website
 Financiers	Solvency and liquidity; Capital management; Sustainability; Risk management	Access to funding to implement strategy; Funding for future acquisitions; Return on investment	Adhoc meetings; Credit reviews; Integrated Annual Report
 Contractors	Fair remuneration; Skill development	Continuous supply; Appropriately skilled contractors	Service level agreements; Regular meetings; Market related compensation
 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	Technology and infrastructure supply that addresses access to the internet	Stable customer base; Organic growth of existing and new customers	Regular meetings
 Local communities	Minimum disruption during the setup of new infrastructure; Safeguarding the environment; Boosting the local economy and uplifting local communities	Building and maintaining fruitful relationships and partnerships with stakeholders; Minimise environmental harm; Make a meaningful impact in communities	One-on-one meetings; Contracts
 Suppliers and service providers	Timely payment	Professional service; Provision of specialised skills and knowledge	Regular meetings; Contracts

WHO ARE WE *(continued)*

COMPANY STAKEHOLDERS	WHAT MATTERS TO THEM	WHAT MATTERS TO US	HOW WE COMMUNICATE
 Sponsors	Services delivered fit client's needs	Understanding our needs when acting as intermediary	Regular meetings
 Media	Transparency	Accurate reporting by media	Only authorised company representatives to engage with the media

INVESTMENT STRATEGY

Nimbus has clearly defined investment criteria whereby any Viable Assets will be evaluated.

In essence, these may include direct or indirect investments in the ICT sector in sub-Saharan Africa. Investments will be evaluated against a required rate of return, based on the capital asset pricing model, with the equity risk premium calculated as per a macroeconomic model that considers the country of investment's long-term government yield, expected real growth in GDP, expected inflation and the relative valuation of the local equity market.

In addition to the equity risk premium, the required rate of return will also consider the specific risk premium of the considered Viable Asset, based on earnings visibility.

The various possible ICT Viable Assets into which Nimbus could invest will derive revenue and/or returns to investors in various ways.

- It is foreseen that infrastructure investments will generate returns for investors through the sale of bandwidth capacity and/or connections, and/or operating of ICT infrastructure.
- Possible investments in operational entities will be strategically made to generate synergies from infrastructure investments, whether by optimising revenue from the sale of bandwidth and/or connections, or by other means.
- In the event that standalone investment opportunities become available for investment into operational entities in the ICT sector, it is foreseen that returns will be generated in line with conventional shareholding in such entities.

Protection built into the strategy ensures separation of duties between the Management Agreement and Investment Agreement. This means that all potential Viable Assets must be presented to the Board by the Investment Manager, therefore, the Manager will not be able to propose to the Board Viable Assets that serve the interest of the Manager rather than those of the shareholders.

Investment screening goes through a four-stage process, with three rounds of approval (by the Investment Committee, disinterested directors and the shareholders), meaning that not only are there ample opportunities for in-depth scrutiny of proposed Viable Assets, but also that the shareholders have the final say with regards to whether offer proceeds will be

deployed towards proposed Viable Assets.

The Company's investment policy and guidelines will be managed, and the investment strategy implemented, by Cirrus in an advisory capacity to the Board, as per the details of the Investment Agreement and through the office of the Chief Investment Officer.

Investment opportunities and/or the acquisition of Viable Assets will be assessed by Cirrus and recommended to the Investment Committee of the Board, or the Board as a whole, where deemed appropriate, for consideration and approval. Included in the transaction costs, provisions have been made to appoint independent service providers, including attorneys, auditors and technical experts to perform the necessary due diligence that will be required per individual transaction.

MATERIALITY

Material initiatives of Nimbus are closely aligned with its strategic direction, its integrated sustainability commitments and the identified requirements of all its stakeholders. As these inform and shape the strategic direction of the Company, they are identified and endorsed by the management team via ongoing input from all of the stakeholders; employees, investors, shareholders, as well as analysts, regulators and the media.

A matter is considered material if it could affect the assessment and decisions of the Board of Directors, shareholders and providers of financial capital and could affect the Company's ability to create value over time.

Further, the Board assesses each issue in terms of the:

- possible economic impact on our business;
- degree to which it affects our stakeholders and ourselves;
- extent to which it is likely to grow in significance and impact our business in the future;
- business opportunities it presents; and
- level of risk it presents.

Please refer to our risk management report under our Corporate Governance and Risk Management section on pages 42 to 44 for further details on our approach to risk management.

BOARD OF DIRECTORS

BOARD

The directors at the date of this report are:

INDEPENDENT NON-EXECUTIVE DIRECTORS



HANS-BRUNO (HABO) GERDES (65)

Chairperson

Appointed 8 August 2017

Qualifications: ACIS/ BPROC (UCT)

Nationality: Namibian

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



BROWN YATI ILONE AMUENJE (41)

Appointed 8 August 2017

Qualifications: BComm with majors in Finance

Nationality: Namibian

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

BOARD OF DIRECTORS (continued)



STUART HILTON BIRCH (49)

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 Telecom and Internet Service Provider companies with a comprehensive Network Management Solutions. Stuart is currently the Managing Director of IRIS Network Systems who deliver and manage 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, a subsidiary of Internet Solutions, 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 (33)

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: Investment Committee, Remuneration and Nomination Committee (Chairperson), Risk, Audit 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 *(continued)*

INDEPENDENT NON-EXECUTIVE DIRECTORS *(continued)*



CHRISTOPH OLIVER STORK (47)

Appointed 8 August 2017

Qualifications: Phd, Diplom Kaufman, BA Economics

Nationality: German

Function and Committees: Investment Committee

Background: Dr. Stork is a partner at Research ICT Solutions Ltd. He holds a PhD in financial economics from London Guildhall University, UK, a Diplom Kaufmann (MA) from the University of Paderborn, Germany, and a BA Economics from the Nottingham Trent University, UK. He has 17 years' research experience in Africa. Christoph works closely with national statistical offices, government ICT agencies and multilateral agencies on ICT indicators, cost modelling, infrastructure projects and market studies. His research has informed policies, laws and regulations in the ICT field. He has pioneered the ICT access and use surveys across Africa and his innovative research methodologies have become a reference point for national governments, multilateral agencies and donor organisations.

EXECUTIVE DIRECTORS



SCHALK LEIPOLDT VAN ZYL ERASMUS (41)

Appointed 8 August 2017

Qualifications: Microsoft Certified Systems Engineer (MCSE) and Cisco Certified Network Engineer

Nationality: Namibian

Function and Committees: Chief Executive 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, operating in over twenty two African Countries with physical presence in seven African Countries which include: Mauritius, Angola, Botswana, Mozambique, Namibia, South Africa and Zambia. The Africa success story is testimony to his technical capabilities and his 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. Prior to this Schalk has 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 Center.

BOARD OF DIRECTORS *(continued)*

EXECUTIVE DIRECTORS *(continued)*



STEFANUS ISAIAS (STEFAN) DE BRUIN (44)

Appointed 8 August 2017

Qualifications: B Com (Hons), CA (Nam), H Dip (Tax)

Nationality: Namibian

Function and Committees: Chief Financial Officer

Background: Stefan has more than 20 years of experience in operations and finance of which the last eight years were spent as an executive director of a Namibian listed entity. 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 also served as Chairman of the Audit and Risk Committee. Stefan is a non-executive board member of the Old Mutual Orion Namibia Pension and Provident Fund. 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.



MORNÉ (ROMÉ) MOSTERT (32)

Appointed 30 June 2017

Qualifications: B Comm, Chartered Financial Analyst Charterholder

Nationality: Namibian

Function and Committees: Chief Investment Officer

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.

BOARD OF DIRECTORS *(continued)*

CHANGES TO THE BOARD

Changes to the Board of Directors during the period under review were as follows:

JOHANNES CHRISTIAAN CRONJE (35)

Date appointed: 30 June 2017
Nationality: Namibian
Occupation: Attorney
Date of resignation: 8 August 2017

HEINRICH JANSEN VAN VUUREN (31)

Date appointed: 30 June 2017
Nationality: South African
Occupation: Businessman
Date of resignation: 8 August 2017

ROWLAND BROWN (31)

Date appointed: 30 June 2017
Nationality: Namibian
Occupation: Businessman
Date of resignation: 8 August 2017

The following change was affected to the Board of Directors subsequent to year end:

NON-EXECUTIVE DIRECTOR



JOHANNES JACOBUS (JACO) ESTERHUYSE

Appointed 23 May 2018

Qualifications: CA (SA)

Nationality: South African

Function and Committees: Audit, Risk and Compliance 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.



CHAIRMAN'S REPORT

for the period ended 28 February 2018

It gives me great pleasure to present this maiden Chairman's Report on the Company's activities for the period ended 28 February 2018.

Nimbus Infrastructure Limited ("Nimbus" or "the Company"), the first Capital Pool Company ("CPC"), was registered on 30 June 2017 and listed on the Namibian Stock Exchange on 6 October 2017. The listing has provided a means to access capital and a platform in respect of technology and infrastructure developments for the future.

The internet penetration and access to ICT services across sub-Saharan Africa, particularly in the lower income and land-locked nations, remain well below global averages and resultingly the growing demand for investment in this sector is considered highly attractive, both from a return and social impact perspective.

Our vision is to improve internet connectivity throughout the Southern African region. We believe that this will not only improve the economic activity in Namibia and its key trading partners, but we can also expect to see additional significant social and socio-economic benefits for the local and regional populations.

I am pleased to say that in the short period since formation and listing, management has identified and acquired a Viable Asset that is aligned with our strategic intent.

Nimbus acquired an effective see-through economic interest of 26.5% in Paratus Telecommunications (Proprietary) Limited ("Paratus") and has subsequently increased the shareholding to 51.4% by way of a swap and a rights issue as announced in the circular issued on 27 March 2018.

By obtaining exposure to Paratus, Nimbus has immediate exposure to the current revenue and profits of Paratus, as well as an asset base, which consists of, amongst others, terrestrial and urban infrastructure. A controlling interest in Paratus will make Nimbus an attractive investment partner, as Nimbus will be able to unlock unique synergies from future investment opportunities through its strategic alliance with Namibia's largest independent telecommunications operator.

GOVERNANCE AND RISK MANAGEMENT

Governance and risk management is a key focus of the Board. As a newly listed company without a prior track record Nimbus had to establish governance and risk management frameworks. As a Board, the team has worked tirelessly to put all the necessary governance structures in place, not only to meet the NSX Listing Requirements, but also those of our stakeholders and own policy. This has been achieved in a relatively short space of time and could only have been accomplished with all the Board members working as a coherent unit.

All the required committees for oversight and good governance are in place and functioning. These include the Audit, Risk and Compliance Committee, the Remuneration and Nomination Committees as well as the Investment Committee.

OUTLOOK AND PROSPECTS

Bandwidth and internet requirements, especially in sub-Saharan Africa, are also set to rise in support of economic growth. These positive indicators should ensure good demand for the Company's business case in the year ahead and places Nimbus in a favourable position to find the right assets to expand in a sustainable manner by way of strategically making further acquisitions and investments in the ICT sector.

APPRECIATION

Looking back at the period under the review, Nimbus Infrastructure Limited listing on the NSX was a major achievement. We are thankful to all of those who made this possible.

We express our thanks to the institutional and private investors, both inside and outside of Namibia for the support shown, all the service providers and advisors who guided us through the process and who have joined us on this exciting journey.

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

In closure I would like to welcome our new non-executive director, Jaco Esterhuyse, who was appointed on 23 May 2018.

Hans-Bruno Gerdes
Chairperson
29 June 2018



CHIEF EXECUTIVE OFFICER'S REPORT

OVERVIEW

Nimbus Infrastructure Ltd ("Nimbus"), as the first Capital Pool Company ("CPC") to list on the NSX, set a new benchmark for future ICT investment opportunities, not only in Namibia, but in sub-Saharan Africa. This enabled both institutional and retail investors to be part of a stable, yet dynamic, company. Nimbus Africa, as our website (www.nimbus.africa) also symbolises, goes beyond the Namibian borders, looking for opportunities that could significantly increase the market capitalisation of the Company and unlock investment potential throughout Africa. Nimbus also means "rainstorm" and is better known as a type of cloud called Cumulonimbus which is an indication of good rain to come. Nimbus is a very appropriate name to measure good investment opportunities to come and measurable profits and returns to follow.

LISTING

Nimbus completed its private placement on the 6th of October 2017 with an initial raising of just over N\$100 million. Offers opened at N\$10.00 per share and has since grown to N\$11.25 per share (at the time of publication), indicating a return of 12% in the five (5) month period since listing.

ASSETS/INVESTMENTS

Since inception Nimbus has invested into an upcoming telecommunication provider namely Paratus Telecommunications (Pty) Ltd, ("Paratus"), a Namibian licensed operator with a similar African outlook, having operations on the ground in seven (7) African countries and providing products and services in over twenty African countries. The initial Nimbus investment into Paratus was 26.5% and a second transaction was finalised to increase its stake in Paratus to 51.4% through a share swap with key executives and employees in Paratus. As part of the second transaction a rights issue is in progress to secure capital for additional investment into sub-Saharan Africa. Collectively the share swap transaction and the rights issue is expected to have a material impact on the Market Capitalisation of the Company, increasing it from just over N\$100 million to approximately N\$350 million.

CAPITAL RAISING AND FUNDING

Nimbus raised its initial capital by means of a listing through private placement, with directors who contributed over 7% of the 5% required as per a CPC listing requirement set out by the NSX. The balance of the Capital raised was through institutional and retail investors, with retail contributing to almost 10% of the first raising. The Company embarked on further capital raising through a rights issue (at the time of publication) which is expected to raise additional capital amounting to N\$160 million.

INVESTMENT STRATEGY

Nimbus' Investment Strategy is to remain an investment holding company investing in sustainable ICT infrastructure projects or companies. Potential investments need to be identified and scrutinised by the Nimbus Investment Committee to meet the return on investment objective. These opportunities are available throughout Africa but are scrutinised taking various macro and micro economic conditions into account. It is clear that the ICT Global market trends are in favour of fiber optic infrastructure and data centers being the top contenders.

ACKNOWLEDGEMENTS

As the CEO of Nimbus, I would like to thank all stakeholders including our loyal shareholders, business partners and fellow directors though their continuous effort to grow the Company from strength to strength. The future looks bright, even through these tough economic conditions. Investing in other territories will not only enable Nimbus to become an African brand but will also show returns in other African territories.

Schalk Erasmus
Chief Executive Officer
29 June 2018



CHIEF INVESTMENT OFFICER'S REPORT

THE NEXT FRONTIER – AFRICA ICT

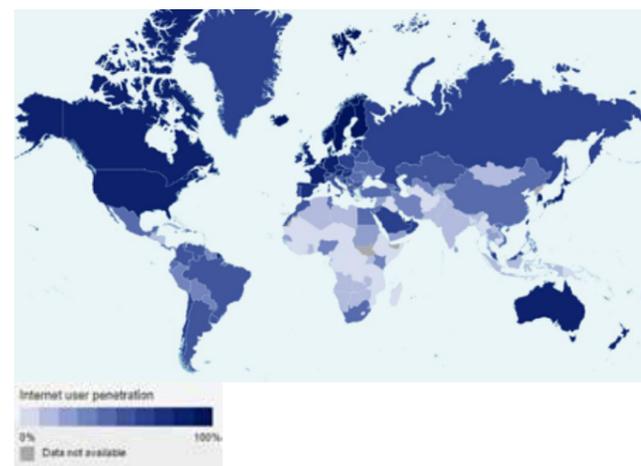
The turn of the century marked the evolution of the digital revolution with the number of devices connected to the internet increasing exponentially, as illustrated in the Nimbus Pre-Listing Statement. To this end, it is forecast that by 2020, up to 50 billion devices will be connected to the “Internet of Things”.

The digital revolution, however has been more prominent in the developed world with the developed world moving ever closer to digital maturity, with internet penetration rates of 77.4% in Europe and 88.1% in North America (International Telecommunication Union, 2017).

Africa, however has lagged the rest of the world in terms of ICT development with the continent's internet penetration rate estimated to be approximately 28%, notably lower than developed nations as well as developing Asia at 45%. This illustrates the growth potential for the sector within Africa, as penetration levels are expected to move closer to those of the rest of the world on account of accelerated investment into the sector, growth in the African middle class and increased affordability of connectivity.

In sub-Saharan Africa, the penetration levels as a percent of population are even lower than in the rest of Africa, with Madagascar, Malawi, Mozambique and Tanzania below 10%, while South Africa and Mauritius, on the other end of the spectrum, with a little more than 50% penetration rate.

For Africa to evolve on the digital front the continent requires further investment in order to roll out ICT infrastructure so as to bring the abundance of undersea bandwidth to the African people. According to Hamilton Research (2016), Africa's total inbound international internet bandwidth (through submarine cables) has increased exponentially since 2008, from 0.116 Terabytes per second (Tbps) in 2008 to 4.555 Tbps in 2015, with much of this growth attributed to sub-Saharan Africa. However, Africa still lacks the terrestrial infrastructure that will optimize the utilization of the existing international bandwidth.



Source: internetsociety.org

PARATUS AS A CORNERSTONE INVESTMENT

By obtaining exposure to Paratus Namibia, Nimbus has immediate exposure to the current revenue and profits of Paratus, as well as the asset base, which consists of, amongst others, terrestrial and urban infrastructure. Further to this, the Company recently finished construction of the TKF Line, which stretches from Swakopmund (Walvis Bay) via Windhoek to the Buitepos border with Botswana. Further to the exposure to the current earnings of Paratus, a shareholding in the Company also provides Nimbus with exposure to the earnings generated by the TKF Line, with expectations for bandwidth sales to various entities across the continent.

Although the growth in revenues generated by Paratus is currently largely driven by fiber infrastructure roll-out, Paratus also has sustainable revenue streams from other sources such as cloud, connectivity, local area network, security and voice, providing exposure to diversified revenue streams for Nimbus.

A shareholding in Paratus provides Nimbus with a strong base from which to pursue further investments across the country and continent. This acquisition has diversified revenue streams, with growing earnings which can be further boosted by capital injections for, amongst others, infrastructure rollout.

Through an investment into Paratus Namibia, Nimbus gains exposure to greater efficiencies from the TKF Line, with numerous synergies and cost savings holding the potential of greater returns for shareholders.

The Paratus Group under the guidance of Paratus Namibia has established an African footprint, especially in countries with low internet penetration and high infrastructure demand. Nimbus views the Paratus shareholding as a foundational stepping stone, whereby further investments into sub-Saharan Africa can be launched. A strategic alliance with Paratus Namibia and indirectly the Paratus Group provides Nimbus with access to a large project pipeline across the African continent.

THE NIMBUS APPROACH

The investment strategy of Nimbus is to pursue the acquisition of Viable Assets. This can be achieved, amongst other means, by obtaining direct or indirect shareholding in companies operating in the ICT sector, and ICT infrastructure projects, or by purchasing or developing ICT infrastructure assets.

The generation of competitive risk-adjusted returns for shareholders is paramount. Only Viable Assets that can be expected to meet the required rate of return shall be proposed by the Investment Committee to the Board.

Investments will be evaluated against a required rate of return, based on the capital asset pricing model, with the equity risk premium calculated as per a macroeconomic model that considers the country of investment's long-term government yield, expected real growth in GDP, expected inflation and the relative valuation of the local equity market. In addition to the equity risk premium, the required rate of return will also consider the project/company specific risk premium based on earnings visibility.

Nimbus' investment policy and guidelines are managed, and the investment strategy implemented by Cirrus in an advisory

capacity to the Board, as per the details of the Investment Agreement and through the office of the Chief Investment Officer.

Investment opportunities and/or the acquisition of Viable Assets goes through a rigorous investment process whereby the opportunity is assessed by Cirrus and recommended to the Investment Committee of the Board, or the Board as a whole, where deemed appropriate, for consideration and approval. The Investment Committee and Board further rely on independent service providers, including attorneys, auditors and technical experts to perform the necessary due diligence that will be required per individual transaction.

ON THE INVESTMENT HORIZON

Lightstruck

Nimbus has entered into negotiations with Lightstruck Holdings (Pty) Ltd, Eaglestone Investment Holdings (Pty) Ltd, Africa Merchant Capital Holdings (Pty) Ltd and Dijethale Holdings Ltd, with the intention to acquire an equity interest of more than 25% in Lightstruck Operating Company (Pty) Ltd. This investment will allow Nimbus the opportunity to invest and participate in a phased last-mile fiber network roll out across Windhoek allowing FTTH (fiber-to-the-home) and FTTB (fiber-to-the-business) access to the city's neighbourhoods and business districts.

Negotiations to acquire equity interest of more than 25% in Lightstruck Operating Company (Pty) Ltd are at an advanced stage. The parties have signed heads of terms setting out the salient details of the proposed acquisition and whereby they agreed to deal exclusively with each other with respect to the proposed transaction for a period of two months, commencing on 20 March 2018. The exclusivity period has since been extended for another two-month period. In the event that negotiations are concluded successfully and a transaction is agreed upon and executed, the details thereof will be announced to shareholders in a separate circular in accordance with the Listing Requirements.

Data centers

Nimbus has commissioned feasibility studies with regards to the deployment of carrier neutral data centers in both Namibia and Zambia, evaluating aggregate demand and supply for data centers in the two countries.

Other investment opportunities

Nimbus is continuously engaging with market participants and evaluating investment opportunities in the sub-Saharan ICT sector. The regular analyses of potential deal flow gives the Nimbus Board comfort that there is ample opportunity to invest relative to the Company's capital capacity.

Romé Mostert
Chief Investment Officer
29 June 2018



CHIEF FINANCIAL OFFICER'S REPORT

INTRODUCTION

This financial review offers a condensed view of the annual financial results of Nimbus for the eight months ended 28 February 2018. These are presented in a simplified form for ease of reference and understanding and are reflective of the manner in which the information is analysed by management. The financial review should therefore be read in conjunction with the full annual financial statements.

INVESTOR RETURNS

Nimbus completed its private placement of 10 288 400 shares on 6 October 2017 which raised capital to the amount of N\$102.8 million. The Company was the first Capital Pool Company listed on the Namibian Stock Exchange. According to the Listing Requirements, Nimbus was required to complete the acquisition of a Viable Asset within 24 months of the listing date.

The key points in relation to the rationale for listing are the increased local asset 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.

Given the collective skillset of the directors, the Board is confident that Viable Assets can be acquired in the ICT sector that will maximise returns for shareholders.

The ICT sector has experienced significant growth across the world over the past four decades. However, while this growth largely took place in advanced economies, many sub-Saharan African countries have started to catch up with the developed countries, and have seen significant growth in internet penetration rates, as well as large increases in bandwidth availability and use. It is against this backdrop that Nimbus has been established to identify opportunities and acquire Viable Assets located in sub-Saharan Africa.

A total of 2 830 Nimbus shares were traded since listing on 6 October 2017 to 28 February 2018. The total value of shares traded amounts to N\$29 715. The share price increased from 1 000 cents from the date of listing to 1 050 cents at

28 February 2018. This translates to a total return to shareholders of 12% for the five months ended 28 February 2018.

INVESTMENT IN ASSOCIATE

On 26 January 2018 Nimbus finalised the acquisition of a 26.5% interest in Paratus Telecommunications (Pty) Ltd ("Paratus"). In terms of the acquisition Nimbus has 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 Nimbus for an amount of N\$75 million, to bring the effective shareholding of Nimbus in Paratus after the allotment to 26.5%, resulting in an effective 20.1% dilution of existing shareholders.

The total aggregate consideration paid was N\$95 million. The purchase consideration was settled from the cash raised from the private placement. Transaction costs to the amount of N\$3.5 million were capitalised to the investment, which inter alia include fees for a comprehensive financial, tax and legal due diligence, a fair and reasonable opinion from an independent expert, transaction fees to the investment manager and regulatory approval costs.

Associates are entities in which the Company has significant influence but does not control or jointly control. The Company includes the results of associates in its financial statements using the equity accounting method from the date of acquisition.

	N\$ 2018
Investment in Paratus at cost	98 509 389
Share of February 2018 after tax profit	129 650
Investment value at 28 February 2018	98 639 039

The Paratus year end coincides with the Nimbus year end. The most recent audited annual financial statements of Paratus were used in applying the equity method of accounting. No dividends were declared or paid by Paratus during the period under review.

The investment into Paratus constituted the acquisition of a Viable Asset by Nimbus and therefore the completion of the acquisition has resulted in Nimbus no longer being classified as a Capital Pool Company and meeting the Main Board criteria for a listing on the NSX.

The audited condensed consolidated financial results of Paratus for the year ended 28 February 2018 are as follows:

Condensed consolidated statement of comprehensive income

For the year ended 28 February 2018

	Group N\$ 2018	Company N\$ 2018	Company N\$ 2017
Revenue	279 623 198	279 623 198	245 509 537
Cost of sales	(158 035 660)	(158 035 660)	(135 256 429)
Gross profit	121 587 537	121 587 537	110 253 108
Gross profit %	43.5%	43.5%	44.9%
Other income	8 699 669	20 070 370	5 605 282
Operating expenses	(113 240 962)	(124 445 862)	(88 749 604)
Profit before finance charges	17 046 244	17 212 046	27 108 786
Finance charges	(13 396 739)	(13 396 739)	(13 771 804)
Profit before taxation	3 649 505	3 815 307	13 336 982
Taxation	(2 791 556)	(2 791 556)	(3 325 707)
Profit for the year	857 949	1 023 751	10 011 275
Other comprehensive income	-	-	-
Total comprehensive income for the year	857 949	1 023 751	10 011 275

The reasons for the major movements in the company results from 2017 to 2018 are as follows:

The decrease in the gross profit margin is mainly due to once off revenue relating to tenders awarded to Paratus at lower profit margins.

Other income for 2018 includes dividends received of N\$11.1 million from the two property companies, which are eliminated with consolidation.

The decline in the profit for the year is mainly due to an

event in the 2015 financial year during which the assets and liabilities of Internet Technologies Namibia (Pty) Ltd ("ITN") were transferred to Paratus. During the year Paratus concluded a transaction with one of the ITN shareholders to acquire the shareholding in ITN for N\$5.5 million. A loss of N\$5.5 million was therefore recognised in the 2018 financial year. ITN is no longer an operational company and is in the process to be deregistered.

The major contributors to the operating cost increase were an increase in salaries of N\$11.6 million and an increase in licence fees of N\$4.3 million.

CHIEF FINANCIAL OFFICER'S REPORT *(continued)*

Condensed consolidated statement of financial position

As at 28 February 2018

	Group N\$ 2018	Company N\$ 2018	Company N\$ 2017
Assets			
Non-current assets	193 359 887	206 638 880	163 724 399
Current assets	98 429 183	98 280 423	43 229 641
Total assets	291 789 070	304 919 303	206 954 040
Equity and liabilities			
Equity	87 112 075	98 377 875	28 486 399
Liabilities			
Non-current liabilities	145 679 298	145 097 116	127 176 398
Current liabilities	58 997 697	61 444 312	51 291 243
Total liabilities	204 676 995	206 541 428	178 467 641
Total equity and liabilities	291 789 070	304 919 303	206 954 040

The reasons for the major movements in the company's financial position from 2017 to 2018 are as follows:

The increase in the non-current assets are mainly due to the TKF Line construction between Swakopmund and Buitepos (Botswana) which was still in progress at year end.

The increase in current assets are mainly due to the increase in cash balances as a result of the N\$75m Nimbus capital injection.

The increase in equity is mainly as a result of the N\$75m capital injection received from Nimbus.

The increase in non-current liabilities is mainly due to the inclusion of an amount of N\$43.2m for revenue received in advance from Botswana Fibre Networks (Pty) Ltd. This amount consist of the long term portion to be amortised to revenue. The revenue is acknowledged over a total period of 20 years. The short term portion amounting to N\$1.8m is included under accounts payable.

The consolidated financial results include the two property companies that were incorporated as wholly owned subsidiaries of Paratus. Both the properties are currently leased by Paratus and form part of its operational assets.

The market value of the properties included in the consolidated assets is N\$ 47 100 000.

In terms of the shareholders agreement entered into between Paratus and Nimbus the following solvency and liquidity requirements as well as dividend policy were provided for:

Solvency requirements:

Debt/asset ratio – 50% to 75% (for the purpose of this ratio Preference shares will be deemed to be debt)

EBITDA interest cover of 2 times (for the purpose of this ratio Preference share dividends will be deemed to be interest)

Liquidity requirements:

Acid-test or Quick ratio of no less than 100%

Dividend policy:

A dividend pay-out policy varying between 15% and 45% of earnings to be proposed, based on capital requirements in the following year, working capital needs and other relevant factors.

FINANCIAL RESULTS OF NIMBUS

Financial results for the eight months ended 28 February 2018

	N\$ 2018
Revenue - dividends received	2 214 978
Interest received	55
Operating expenses	(1 630 711)
Profit for the period	713 972
Number of shares in issue	10 363 407
Weighted average number of issued shares	6 495 882
Basic earnings per share (cents)	10.99
Headline earnings per share (cents)	10.99
Net asset value per share (cents)	987.59
Listed market price per share (cents per share)	1 050
Premium to net asset value	6.3%

Refer to the annual financial statements set out on pages 56 to 79 for more information.

LOOKING AHEAD

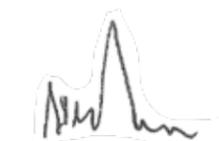
The Namibian economy has experienced three consecutive quarters of negative growth, which has resulted in the contraction of the economy by 0.8% during 2017. The weakness in the economy is evident in the private sector credit extension rate which is 3.3% lower than a year ago. We expect the tough trading environment to continue for at least another 12 months after which recovery is expected, mostly driven by the primary sectors.

On 17 April 2018 the Nimbus shareholders approved an ordinary resolution for a share swap transaction and a rights issue.

In terms of the share swap transaction Nimbus will acquire 24.9% of the issued share capital in Paratus and will therefore increase the effective shareholding from 26.5% to 51.4%. The purchase consideration shall consist of the issue of 8 495 400 new ordinary shares in Nimbus to be allotted to the sellers at a pre-determined and agreed upon price of N\$10.50 each and a total value of N\$89 201 700. The issue of the new ordinary shares in Nimbus will cause a dilution of 45% for all current shareholders.

In terms of the rights issue, qualifying shareholders will be entitled to subscribe for 15 545 085 rights issue shares at a subscription price of N\$10.50 per rights issue share. This transaction will reduce the dilution effect to 24.74% to current shareholders (excluding the share swap participants).

The rights issue proceeds will enable Nimbus to make further investments into the sub-Saharan Africa ICT sector. Nimbus is currently investigating the merits of an investment into data centers in both Namibia and Zambia, as well as an investment in a company planning a phased last-mile fiber roll-out across Windhoek. The project will provide fiber to the home and fiber to the business on an open access basis. This entails that any Internet Service Provider will be able to on-sell services to end-users.



Stefan de Bruin
Chief Financial Officer
29 June 2018



CORPORATE GOVERNANCE AND RISK MANAGEMENT

CORPORATE GOVERNANCE

Nimbus complies with the Namibian Stock Exchange Listing Requirements, applicable statutes, regulatory requirements and other authoritative directives regulating conduct. The principle applicable frameworks include:

NSX Listing Requirements

Nimbus is a public company listed on the NSX and are subject to the NSX Listing Requirements.

NamCode

The Namibian Code (“NamCode”) report became effective for financial years commencing after 1 January 2014.

Companies Act

Companies Act 28 of 2004 came into operation 1 November 2010.

This section provides an overview of our corporate governance philosophy and practices.

ETHICAL LEADERSHIP AND CORPORATE CITIZENSHIP

NamCode principles C1-1 to 3.

Good corporate governance is essentially about effective, responsible leadership. We at Nimbus strive to conduct all business in accordance with the principles of good corporate governance and that our ethical values of responsibility, accountability, fairness and transparency are evident in all our dealings with all our stakeholders.

We are working towards building a sustainable business which not only considers the short-term, but also long-term impact its personal and institutional decisions will have on the economy, society and environment.

The Board acknowledges and embraces the responsibilities bestowed upon it by the Companies Act and NamCode and is fundamentally responsible for the strategic direction, the control of the Company and cultivating a culture of ethical conduct.

The Board is responsible for the Company’s performance within the triple context in which it operates: economic, social and environmental. The Board adopted a holistic approach to economic, social and environmental issues in their core business strategy and central to doing business. We believe this holistic approach will allow for effective management of business opportunities and risks.

Our operational processes, procedures and tools are specifically being designed to institute, implement, monitor and control internal policies and procedures in furtherance of corporate governance, effective compliance and risk management.

THE BOARD OF DIRECTORS

NamCode principles C2-1 to 27.

ROLE AND FUNCTION OF THE BOARD

The responsibilities of the Board and how it is required to fulfil its duties are set out in a charter, The Board collectively provides effective corporate governance that involves monitoring the relationships between the Board and management of the Company, and between the Company and its stakeholders.

The Board’s paramount responsibility is the positive performance of the Company in creating value, while balancing promoting the performance of the Company and how this performance is achieved.

The Board exercises leadership, enterprise, integrity and judgement in directing the business of the Company so that it can survive and thrive.

The Board plays a prominent role in the strategy-development process. It determines and approve the long-term and short-term strategies for the business of the Company and monitors their implementation by management. Further, the Board identifies key performance and risk areas as well as the associated performance and risk indicators and measures. The objectives that are set as part of the strategy are clear, measurable, profitable and sustainable.

The Board ensures that its long-term planning will result in sustainable outcomes. The primary reason for the existence of business enterprise is to create value. The Board considers sustainability as a business opportunity, where long-term sustainability is linked to creating business opportunities. In making these decisions, the Board is aware of the impact the Company has on the economic life of the community in which it operates - both positive and negative. Efforts are made to enhance these positive impacts and eradicate or ameliorate the negative ones.

CORPORATE GOVERNANCE *(continued)*

COMPOSITION OF THE BOARD OF DIRECTORS

The Board comprises a balance of power with the Board of Directors consisting predominantly of independent non-executive directors. No individual or Company can dominate Board processes or have unfettered powers of decision making.

The composition of the Board is the responsibility of the Remuneration and Nomination Committee (“RNC”).

When determining the number of directors to serve on the Board, the collective knowledge, skills, experience and resources required for conducting the business of the Board are considered. Factors determining the number of directors to be appointed are:

- evolving circumstances, the needs of the Company and the nature of its business;
- the need to achieve an appropriate mix of executive and independent non-executive directors;
- the need to have sufficient directors to structure Board Committees appropriately;
- regulatory requirements; and
- the skills and knowledge needed to make business judgement calls on behalf of the Company.

The RNC also considers whether its size, diversity and demographics make it an effective Board. Diversity applies to academic qualifications, technical expertise, relevant industry knowledge, experience, nationality, age, race and gender.

Three (3) executive directors namely the Chief Executive Officer (“CEO”), Chief Financial Officer (“CFO”) and Chief Investment Officer (“CIO”) are appointed by the Board and serve on the Board of Nimbus.

The roles of the Chairperson and CEO are distinct and separate, with a clear division of responsibilities. The Chairperson leads the Board and is responsible for ensuring that the Board receives accurate, timely and clear information to ensure that directors can perform their duties effectively. The roles and responsibilities of the CEO are as set out in Principle C2-17 of the NamCode.

The directors as date of this report are:

Director	Date Appointed	Status
Hans-Bruno Gerdes	8 August 2017	Independent non-executive Chairperson
Brown Amuenje	8 August 2017	Independent non-executive director
Stuart Birch ¹	8 August 2017	Independent non-executive director
Jaco Esterhuysen ^{1,3,4}	23 May 2018	Non-executive director
Josephine Shikongo	8 August 2017	Independent non-executive director
Christoph Stork ²	8 August 2017	Independent non-executive director
Stefan de Bruin	8 August 2017	Chief Financial Officer Executive director
Schalk Erasmus	8 August 2017	Chief Executive Officer Executive director
Romé Mostert	30 June 2017	Chief Investment Officer Executive director

¹ South African

² German

³ Appointed subsequent to year end

⁴ Represents a major shareholder of Nimbus

CORPORATE GOVERNANCE *(continued)*

DEMOGRAPHICS OF THE BOARD

	Total	Male	Female	Previously disadvantaged
Total Board of Directors	9	8	1	2
Independent non-executive director	5	4	1	2
Non-executive director	1	1	-	-
Executive director	3	3	-	-

TENURE

At the Annual General Meeting held in each year, at least one-third of non-executive directors shall retire by rotation. These retiring Board members may be re-elected, provided they are eligible. The Board, through the RNC, shall recommend eligibility, considering past performance, contribution, the objectivity of business judgement calls and succession planning.

Every year, non-executive directors classified as 'independent' undergo an evaluation of their independence by the Chairperson and the Board.

In accordance with NamCode any term beyond nine years (e.g. three three-year terms) for an independent non-executive director shall be subject to a particularly rigorous review by the Board, of not only the performance of the director, but also the factors that may impair his/her independence at that time. The review shall also take into account the need for refreshing the Board.

Independent non-executive directors may serve longer than nine years if, after an independence assessment by the Board, there are no relationships or circumstances likely to affect, or appearing to affect, the director's judgement.

RE-ELECTION OF BOARD MEMBERS

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

Hans-Bruno Gerdes and Christoph Stork shall retire at the Annual General Meeting. All are eligible for re-election and nominated as such.

BOARD APPOINTMENT PROCESS

Potential candidates are evaluated to ensure that they are competent to be appointed as directors and can contribute to the business judgement calls to be made by the Board. In looking at the skills and suitability of a proposed candidate director, namely:

1. the knowledge and experience required to fill the gap on the Board;
2. the apparent integrity of the individual; and
3. the skills and capacity of the individual to discharge his duties to the Board.

Prior to an appointment the directors' backgrounds are investigated. We also ensure that new directors are not disqualified in terms of the Companies Act. The RNC plays a role in this process.

The onus is on individual directors to determine whether they

have the requisite skills and capacity to make a meaningful contribution and are free from apparent or actual conflicts.

DEVELOPMENT OF DIRECTORS

Newly appointed directors are provided with induction. Relevant new developments are communicated to directors at Board meetings, including those regarding the Companies Act, corporate governance and other relevant legislation.

Further, if deemed necessary training is sourced for any new developments directors should be aware of.

The Board considers that the skills, knowledge, experience and attributes of the directors as a whole are appropriate for their responsibilities and the Company's activities.

The skills and experience profile of the Board and its Committees are reviewed annually by the RNC, to ensure an appropriate and relevant composition from a governance, succession and effectiveness perspective.

COMPANY SECRETARY

Cronjé Secretarial Services (Pty) Ltd. is the Company Secretary, represented by Christiaan Cronje and Heinrich Jansen van Vuuren, 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, and the representatives of Cronjé Secretarial Services (Pty) Ltd, are properly qualified and experienced to competently carry out the duties and responsibilities of Company Secretary and that there is an arm's-length relationship between itself and the Company Secretary.

The Company Secretary ensures the Board remains cognisant of its duties and that all directors have full and timely information that may be relevant in the proper discharge of their duties, collectively and individually, with detailed guidance on their duties, responsibilities and powers. It is also a central source of information and advises the Board and the Company on matters of ethics and good corporate governance. The Company Secretary ensures that, in accordance with pertinent laws, the proceedings and affairs of the Board and its members, the Company itself and, where appropriate, the owners of securities in the Company are properly administered. It also assists and ensures that the Board, individual directors and Board Committees are evaluated annually. The Company Secretary ensures compliance with the Listing Requirements and other statutory requirements applicable to the Company.

The Board evaluates the Company Secretary on an annual basis and the Board is satisfied with the competence, qualifications and experience of the Company Secretary.

CORPORATE GOVERNANCE *(continued)*

PERFORMANCE EVALUATION OF BOARD AND COMMITTEES

The performance of the Board and its Committees will be formally evaluated by the RNC and covers all areas of the Board's processes and responsibilities.

PERFORMANCE EVALUATION OF CEO AND EXECUTIVE DIRECTORS

The Chairperson, with the assistance of the RNC, shall evaluate the performance of the CEO and other executive directors annually.

The results of such an evaluation shall be considered by the RNC to guide it in determining the remuneration of the CEO and other executive directors when needed.

BOARD COMMITTEES

The Board is empowered to delegate to various sub-Boards and executive Committees. The Committees have specific terms of reference, appropriately skilled members and access to specialist advice when necessary.

These Committees meet independently and provide detailed feedback to the Board via their chairmen. All Committee meetings are minuted and directors may raise any questions arising from these minutes:

Director	Board	Risk, Audit and Compliance	Remuneration and Nomination	Investment
Hans-Bruno Gerdes	CP	✓	✓	
Brown Amuenje	✓	✓	✓	CP
Stuart Birch ¹	✓			✓
Jaco Esterhuysen ^{1,3}	✓	CP		
Josephine Shikongo	✓	✓	CP	✓
Christoph Stork ²	✓			✓
Stefan de Bruin (CFO)	✓			
Schalk Erasmus (CEO)	✓			
Romé Mostert (CIO)	✓			

CP = Chairperson of Board or sub-Committee

✓ = Member

¹ South African

² German

³ Appointed subsequent to year end

BOARD MEETINGS

The Board meets at least four times annually.

The Chairperson is responsible for setting the agenda for each meeting, in consultation with the CEO and the Company Secretary. Comprehensive information packs on matters to be considered by the Board are provided to directors in advance of the meetings.

BOARD MEETING ATTENDANCE FOR THE PERIOD

Director	3 Oct 2017	9 Nov 2017	1 Feb 2018	2 Feb 2018
Hans-Bruno Gerdes (Chairperson)	✓	✓	✓	✓
Brown Amuenje	✓	✓	✓	✓
Stuart Birch	✓	✓	✓	✓
Josephine Shikongo	✓	✓	✓	✓
Christoph Stork	✓	✓	✓	✓
Stefan de Bruin	✓	✓	✓	✓
Schalk Erasmus	✓	✓	✓	✓
Romé Mostert	✓	✓	✓	✓

Refer to the separate committee reports on page 41 to 48 for the sub-committee meeting attendance for the period under review.

CORPORATE GOVERNANCE *(continued)*

APPLICATION OF THE NAMCODE

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

The table below, to the best of the knowledge and belief of the Board explains the non-application of certain of its principles where principles are not fully applied. Principles not listed are complied with.

PRINCIPLE	STATUS	COMMENTS
1. ETHICAL LEADERSHIP AND CORPORATE CITIZENSHIP		
1.3 The Board should ensure that the Company's ethics are managed effectively	EXPLAIN	As the Company was incorporated only recently, it has not yet established a Social and Ethics Committee. It is intended that a Social and Ethics Committee will be established once a Viable Asset is acquired. The Social and Ethics Committee, once established, will be responsible for, inter alia, the management of the Company's ethics.
2. ROLE AND FUNCTION OF THE BOARD		
2.5 The Board should ensure that the Company's ethics are managed effectively	EXPLAIN	Please refer to principle 1.3 above.
2.10 The Board should ensure that there is an effective risk-based internal audit	EXPLAIN	As the Company was recently incorporated as a public company, it has not yet appointed an internal auditor and the Company has not performed an internal audit. The Audit and Risk Committee will review the necessity of an internal audit function taking into consideration the size of the Company. The Board may decide to outsource this function to address specified risk areas.
2.12 The Board should ensure the integrity of the Company's integrated report	EXPLAIN	The Board considers and approve the Company's integrated reports, on the recommendation of the RACC
2.13 The Board should report on the effectiveness of the Company's system of internal controls	EXPLAIN	The Company's RACC will provide the Board with assurance on the effectiveness of the internal control framework, which will be developed over time.
2.24 A governance framework should be agreed between the group and its subsidiary Boards	EXPLAIN	The Company increased its shareholding in Paratus after reporting period end to subsidiary status.
3. AUDIT AND RISK COMMITTEE		
3.3 The Audit and Risk Committee should be chaired by an independent non-executive director	EXPLAIN	The RACC is chaired by a non-executive director who is representing a major shareholder of Nimbus.
3.5 The Audit and Risk Committee should ensure that a combined assurance model is applied to provide a coordinated approach to all assurance activities	EXPLAIN	The RACC will be mandated to ensure that a combined assurance model is applied.
3.6 The Audit and Risk Committee should satisfy itself of the expertise, resources and experience of the Company's finance function	EXPLAIN	The RACC will satisfy itself of the effectiveness of the CFO and will satisfy itself of the expertise, resource and experience of the Company's finance function. This will be revaluated formally on an annual basis.
3.7 The Audit and Risk Committee should be responsible for overseeing any internal audit function	EXPLAIN	The RACC will formulate and monitor the Company's risk management policies, monitor the Company's governance compliance and oversee the scope and performance of internal audit.

CORPORATE GOVERNANCE *(continued)*

PRINCIPLE	STATUS	COMMENTS
4. THE GOVERNANCE OF RISK		
4.2 The Board should determine the levels of risk tolerance	EXPLAIN	It is intended that specific limits be set annually at the RACC meeting, which limits will be approved by the Board. These limits will take account of both external and internal risk factors.
4.4 The Board should delegate to management the responsibility to design, implement and monitor the risk management plan	EXPLAIN	Management will be accountable to the Board, through the RACC, for embedding the risk management process in the business.
4.5 The Board should ensure that risk assessments are performed on a continual basis	EXPLAIN	The risk assessment process will identify risks and opportunities and the process will be formalised and regularly performed.
4.6 The Board should ensure that frameworks and methodologies are implemented to increase the probability of anticipating unpredictable risks	EXPLAIN	The RACC will be responsible for the implementation of these frameworks and methodologies.
4.7 The Board should ensure that management considers and implements appropriate risk responses	EXPLAIN	The implementation of controls, existing and new, will be monitored on an ongoing basis.
4.8 The Board should ensure continual risk monitoring by management	EXPLAIN	There will be a continual risk monitoring and the process will be monitored by management.
4.9 The Board should receive assurance regarding the effectiveness of the risk management process	EXPLAIN	The Board reports on the effectiveness of the risk management process. The Company's RACC will provide the Board with assurance on the effectiveness of risk management process.
5. THE GOVERNANCE OF INFORMATION TECHNOLOGY (IT)		
5.3 The Board should delegate to management the responsibility for the implementation of an IT governance framework	EXPLAIN	The management of the Company is outsourced to Paratus. The Company has no individual IT system.
5.7 A Risk Committee and Audit and Risk Committee should assist the Board in carrying out its IT responsibilities	EXPLAIN	The management of the Company is outsourced to Paratus. The Company has no individual IT system.
6. COMPLIANCE WITH LAWS, RULES, CODES AND STANDARDS		
6.4 The Board should delegate to management the implementation of an effective compliance framework and processes	EXPLAIN	As the Company was recently incorporated as a public company, the compliance framework and processes have not yet been finalised. Management will be responsible for the implementation of the compliance framework and processes once the framework and processes have been finalised by the Board.

PRINCIPLE	STATUS	COMMENTS
7. INTERNAL AUDIT		
7.1 The Board should ensure that there is an effective risk based internal audit	EXPLAIN	Please refer to principle 2.10. above.
7.2 Internal audit should follow a risk-based approach to its plan	EXPLAIN	Please refer to principle 2.10. above.
7.3 Internal audit should provide a written assessment of the effectiveness of the Company's system of internal control and risk management	EXPLAIN	Please refer to principle 2.10. above.
7.4 The Audit and Risk Committee should be responsible for overseeing internal audit	EXPLAIN	Please refer to principle 2.10. above.
7.5 Internal audit should be strategically positioned to achieve its objectives	EXPLAIN	Please refer to principle 2.10. above.
9. INTEGRATED REPORTING AND DISCLOSURE		
9.1 The Board should ensure the integrity of the Company's integrated report	EXPLAIN	Please refer to principle 2.12 above. First Integrated Annual Report covers the period from 30 June 2017 to 28 February 2018. The Company adheres to the relevant principles contained in the NamCode relating to integrated reporting and disclosure.
9.2 Sustainability reporting and disclosure should be integrated with the Company's financial reporting	EXPLAIN	Please refer to principle 2.12 above. First Integrated Annual Report covers the period from 30 June 2017 to 28 February 2018. The Company adheres to the relevant principles contained in the NamCode relating to integrated reporting and disclosure.
9.3 Sustainability reporting and disclosure should be independently assured	EXPLAIN	Please refer to principle 2.12 above. First Integrated Annual Report covers the period from 30 June 2017 to 28 February 2018. The Company adheres to the relevant principles contained in the NamCode relating to integrated reporting and disclosure.

The Investment Committee is appointed by the Board.

TERMS OF REFERENCE

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

MEMBERS AND ATTENDANCE AT MEETINGS

This Investment Committee meets at least twice per annum and more frequently as required.

Director	8 Nov 2017
Brown Amuenje (Chairperson)	✓
Stuart Birch	✓
Josephine Shikongo	✓
Christoph Stork	✓
Romé Mostert ¹	✓
✓ Present	
¹ In attendance by invitation	

COMPOSITION

The Investment Committee is constituted as a sub-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 charter allows for the Investment Committee to comprise at least three non-executive directors and one executive director. The actual Committee comprise four independent non-executive directors.

The deliberations of the Investment 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 members of the Committee as a whole have sufficient qualifications and experience to fulfil their duties.

ROLE AND RESPONSIBILITIES

The Investment Committee's role and responsibilities include:

- The Committee has an independent role, operating as an overseer and makes recommendations to the Board for its 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;
- Developing and recommending an investment strategy for Nimbus;
- Set criteria and targets for investments;
- Advising on and/or effecting disposals, acquisitions and developments within the approved investment policy and authority limits;
- Recommending disposals, acquisitions and developments to the Board which exceed the authority limits; and
- Developing and recommending sustainability practices for the Company.

STATEMENT BY THE COMMITTEE

The Investment Committee executed its duties, during the period, in line with its roles and responsibilities as outlined above under role and responsibilities.



Brown Amuenje
Chairperson - Investment Committee
29 June 2018

RISK, AUDIT AND COMPLIANCE COMMITTEE

The Risk, Audit and Compliance Committee ("RACC") is appointed by the Board.

TERMS OF REFERENCE

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

MEMBERS AND ATTENDANCE AT MEETINGS

The RACC was constituted on 3 October 2017 by the Board of Directors and shall meet at least twice per annum in accordance with the charter adopted.

Director

Jaco Esterhuysen (Chairperson)²

Hans-Bruno Gerdes

Brown Amuenje

Josephine Shikongo¹

¹Interim Chairperson for RACC meeting held on 22 May 2018.

²Appointed Chairperson of RACC by Board on 23 May 2018

No meetings were held during the period under review.

COMPOSITION

The RACC is chaired by a director who is not the Chairperson of the Board. The Board appoints the Chairperson of the RACC. Mr. Hans-Bruno Gerdes, being the Chairperson of the Board, shall not be eligible as Chairperson.

The Committee comprises of at least three members who are independent non-executive directors.

The Chairperson of the RACC shall understand the function of the RACC and be able to lead constructive dialogue with the management, the internal and external auditors, other external assurance providers and the Board. The Chairperson shall be afforded sufficient times to participate in and agree the RACC agenda before meetings are convened.

The Chairperson of the RACC shall be present at the Annual General Meeting to answer questions, through the Chairperson of the Board, on the report on the RACC's activities and matters within the scope of the RACC's responsibilities.

There shall be a basic level of qualification and experience for RACC membership. The RNC and the Board shall evaluate whether collectively (but not necessarily individually) the RACC has an understanding of:

- Integrated reporting, which includes financial reporting;
- Internal financial controls;
- External audit process;
- Internal audit process;
- Corporate law;
- Risk management

- Sustainability issues;
- Information technology governance as it relates to integrated reporting; and
- The governance processes within the Company.

The collective skills of the members of the RACC shall be appropriate to the Company's size and circumstances, as well as its industry.

There is a clear need for this committee, collectively, to have an understanding of IFRS, and any other financial or sustainability reporting standards, regulations or guidelines applicable to the Company, because of the RACC's responsibility to oversee integrated reporting.

SCOPE AND RESPONSIBILITIES

The RACC is responsible for the following NamCode Principles:

- NamCode Principles C3-1 to 10: Audit Committee;
- NamCode Principles C4-1 to 10: The governance of risk;
- NamCode Principles C5-1 to 7: The governance of information technology ("IT");
- NamCode Principles C6-1 to 4: Compliance with laws, rules, codes and standards;
- NamCode Principles C7-1 to 5: Internal audit; and
- NamCode Principles C9-1 to 3: Integrated reporting and disclosure.

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 RACC are followed through;
- Monitoring compliance with the Articles of Association, NSX Listing Requirements, Companies Act and NamCode 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 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 period concerned;
- Consider problems identified in the going concern assumption;
- Consider the appropriateness and disclosure of related party transactions;
- The RACC shall oversee integrated reporting;
- Have reasonable regard to all material factors and risks that may impact on the integrity of the integrated report;

RISK, AUDIT AND COMPLIANCE COMMITTEE (continued)

- » Review the annual 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 RACC shall ensure that a combined assurance model is applied to provide a coordinated approach to all assurance activities;
- The RACC shall satisfy itself of the expertise, resources and experience of the Company's finance function;
- The RACC shall be responsible for overseeing any internal audit function;
- The RACC is responsible for recommending the appointment of the external auditor and overseeing the external audit process; and
- The RACC shall report to the Board and shareholders (in the Integrated Report) on how it has discharged its duties.

EXTERNAL AUDIT

The RACC shall meet at least once a year with the external auditors without management present. These may be separate meetings or meetings held before or after a scheduled RACC meeting.

Information relating to non-audit services provided by the appointed external auditors of the Company has been disclosed in the notes to the annual financial statements and the RACC is satisfied with the independence of the external auditors. Work performed by the external auditors such as verification of non-financial information, or the external review of interim results are presented to the RACC for approval prior to the commencement of such engagement and are agreed to under separate engagements.

The Committee, in consultation with executive management, agreed to the principles as set out in the engagement letter, without limiting their statutory obligations.

Based on our satisfaction with the results of the activities outlined above, we have recommended to the Board that PricewaterhouseCoopers ("PWC") shall be re-appointed for the financial period ending 28 February 2019.

INTERNAL AUDIT

As the Company was recently incorporated as a public company, it has not yet appointed an internal auditor and the Company has not performed an internal audit.

The Risk, Audit and Compliance Committee will review the necessity of an internal audit function taking into consideration the size of the Company.

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

INTERNAL CONTROL

These financial statements support Nimbus's viability, accountability and effective internal control processes.

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 RACC is satisfied that Nimbus's system of internal controls operated effectively in the period under review. Nothing has come to the RACC's attention that causes it to believe that the system of internal financial controls is not effective.

FINANCE FUNCTION

The RACC has reviewed the annual financial statements of the Company and is satisfied that they comply with International Financial Reporting Standards.

The external auditor has expressed an opinion on the annual financial statements for the period ended 28 February 2018, refer to pages 51 to 54.

We are satisfied that Stefan de Bruin, the CFO for the financial period ended 28 February 2018, has the appropriate expertise and experience to meet his responsibilities in the position.

Based on the processes and assurances obtained, we believe that the accounting practices are effective.

IT MANAGEMENT

The IT and IT governance are the responsibility of the RACC. The CFO is responsible for the management of day-to-day IT operations. The majority of the operational functions have been outsourced to manager, Paratus. The Company has entered into a service level agreement with the manager to ensure compliance with the requirements set out.

GOING CONCERN

The going-concern basis has been adopted in preparing the financial statements. The RACC, reported to the Board that it supports management's view that the Company will continue as a going concern for the foreseeable future. The assumptions underlying the going concern statement include:

- Budgeting and forecasts;
- Profitability;
- Capital;
- Liquidity; and
- No vacancies in key management.

RISK, AUDIT AND COMPLIANCE COMMITTEE *(continued)*

INTEGRATED ANNUAL REPORT

Following the review by the RACC of the annual financial statements of Nimbus Infrastructure Limited for the period ended 28 February 2018, the RACC is of the view that in all material respects they comply with the relevant provisions of the Companies Act and IFRS and fairly presents Nimbus's financial position at that date and the results of operations and cash flows for the period then ended.

The RACC has also satisfied itself of the integrity of the remainder of the Integrated Annual Report. Having achieved its objectives, the RACC has recommended the Integrated Annual Report for the period ended 28 February 2018 for approval to the Board.

RISK MANAGEMENT

The Board takes overall responsibility for risk management with a formal process implemented for managing risk while delegating authority to the RACC.

It is intended that specific limits be set annually by the RACC and recommended to the Board for approval. Management will be accountable to the Board, through the RACC, for embedding the risk management process in the business. The risk assessment process will be formalised and will identify risks and opportunities.

RACC will be responsible for the implementation of these frameworks and methodologies and the recommendation for approval thereof to the Board.

Furthermore, the process will be monitored by management and reported on to the Board via the RACC.

In future the RACC will provide the Board with assurance on the effectiveness of the risk management process.

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 Esterhuysen
Chairperson - Risk, Audit and Compliance Committee
29 June 2018

REMUNERATION AND NOMINATION COMMITTEE

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

TERMS OF REFERENCE

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

MEMBERS AND ATTENDANCE AT MEETINGS

The RNC was constituted on 3 October 2018 by the Board of Directors and shall meet at least twice per annum and more frequently as required, in accordance with the charter adopted.

Director

Josephine Shikongo (Chairperson)

Hans-Bruno Gerdes

Brown Amuenje

No meetings were held during the period under review. A meeting was held on 13 April 2018, subsequent to year end.

COMPOSITION

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 comprises of at least three non-executive directors, a majority of whom are independent non-executive directors.

The Chairperson of the Board should not be Chairperson of the RNC.

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

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

SCOPE AND RESPONSIBILITIES

Remuneration and Nomination:

The Committee assists the Board to ensure that:

- The Company remunerates directors and executives fairly and responsibly;
- The disclosure of directors' remuneration is accurate, complete and transparent;
- The Company's overall remuneration philosophy promotes the achievement of the Company's strategic objectives;
- The Board has the appropriate composition for it 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:

- Approve annual increases (all staff);
- Approve new year performance contracts in conjunction with Board approved strategy (CEO, CFO and CIO);
- Assess performance (CEO, CFO and CIO);
- Selects an appropriate peer group when comparing remuneration levels;
- Regularly reviews the management agreement to ensure compliance with requirements;
- Consider candidates and recommend appointments to Board (CEO, CFO and CIO);
- Consider candidates and recommend appointments to Board (all Board members);
- Finalise employment contracts (CEO, CFO and CIO);
- Recommend non-executive directors' fees to Board;
- Recommend company secretary fees to Board;
- Consider Board composition for recommendations to Board;
- Assess Committee compliance with its charter and report to Board;
- Periodically assess employment contracts to ensure compliance with Namibian Labour Law and Income Tax requirements; and
- Oversees the preparation of the remuneration report included in the Integrated Annual Report to ensure that it is accurate, complete and transparent, and provides a clear explanation of how the remuneration policy has been implemented.

Social and Ethics:

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

REMUNERATION AND NOMINATION COMMITTEE *(continued)*

REMUNERATION REPORT

Employment Agreements with executive directors

Nimbus has entered into service contracts with each executive director. In terms of those contracts:

- Schalk Leipoldt Van Zyl Erasmus was appointed as the Chief Executive Officer of Nimbus;
- Stefanus Isaias de Bruin was appointed as the Chief Financial Officer of Nimbus; and
- Morné Romé Mostert was appointed as the Chief Investment Officer of Nimbus.

Save as contemplated below, the employment of each of the executive directors commenced on 8 August 2017 for the CEO and CFO and on 30 June 2017 for the CIO respectively, will continue for a fixed term of five years, subject to termination by either Nimbus or the executive director on not less than three months' written notice, which may not be given before a period of one year after the acquisition by Nimbus of Viable Assets.

The executive directors will receive remuneration for services rendered to Nimbus following the acquisition of a Viable Asset, the Paratus acquisition is excluded from the asset base.

The executive directors are remunerated by the Manager (CEO and CFO) and the Investment Manager (CIO). The fees payable to the Manager and the Investment Manager are varied based on the ability to successfully acquire Viable Assets.

Management Agreement

The Management Fees shall be a quarterly fee, calculated as one quarter of 0.5% of the total value of the all the assets acquired or invested in by Nimbus from time to time, 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 Nimbus at each Quarter Date. The fee is payable on the last day of each quarter. An amount of N\$15 000 per month has been paid to the Manager. Subsequent to year end the RNC approved an additional N\$15 000 per month payable to the Manager.

Investment Agreement

Cirrus 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 RNC shall determine the remuneration policy of the Company and every year, the Company's remuneration policy shall be tabled to shareholders for a non-binding advisory vote at the Annual General Meeting to enable the shareholders to express their views on the remuneration policies adopted.

An external consultant will be engaged during the new financial year to review the non-executive directors' fees.

REMUNERATION AND NOMINATION COMMITTEE *(continued)*

NON-EXECUTIVE DIRECTORS' FEES FOR PERIOD ENDED 28 FEBRUARY 2018

Directors' service contracts and remuneration

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, as stipulated in paragraph below.

The remuneration policy that has been adopted for director's fees, including those for Committees to be paid for the financial period ending 28 February 2018 are set out below:

	Number of members	Fee per member N\$	Meetings per year	Total cost N\$
Board				
Chairperson	1	32 500	4	130 000
Member	4	27 500	4	440 000
Total				570 000
Risk and Audit Committee				
Chairperson	1	15 000	2	30 000
Member	2	12 000	2	48 000
Total				78 000
Investment Committee				
Chairperson	1	15 000	8	120 000
Member	2	12 000	8	192 000
Total				312 000
Remuneration and Nomination Committee				
Chairperson	1	15 000	2	30 000
Member	2	12 000	2	48 000
Total				78 000
GRAND TOTAL				1 038 000

The fees paid to non-executive directors for the 2018 financial period were paid on the basis presented at the shareholders meeting held on 22 September 2017.

The actual fees paid to non-executive directors during the 2018 financial period are as follows:

Director	Board Attendance fees N\$	Investment Committee Attendance fees N\$	TOTAL Attendance fees N\$
Hans-Bruno Gerdes (Chairperson)	97 500	-	97 500
Brown Amuenje	82 500	15 000	97 500
Stuart Birch	82 500	12 000	94 500
Josephine Shikongo	82 500	12 000	94 500
Christoph Stork	82 500	12 000	94 500
Total	427 500	51 000	478 500

No meetings were held by the Risk, Audit and Compliance and the Remuneration and Nomination Committees during the period under review.

REMUNERATION AND NOMINATION COMMITTEE *(continued)*

PROPOSED NON-EXECUTIVE DIRECTORS' FEES FOR THE 2019 FINANCIAL YEAR

The RNC has proposed to the Board that no increases are to be affected to the non-executive directors' fees for the 2019 financial year. This recommendation has been approved by the Board, subject to shareholder approval at the forthcoming Annual General Meeting. Refer to the non-binding advisory vote set out in the Notice of the Annual General Meeting to approve the non-executive directors' remuneration for the 2019 financial year.

Schedule of Non-executive director fees payable per individual per meeting:

	Number of members	Fee per member N\$ 2018	Fee per member N\$ 2019	Increase %
Board				
Chairperson	1	32 500	32 500	-
Member	5	27 500	27 500	-
Risk and Audit Committee				
Chairperson	1	15 000	15 000	-
Member	3	12 000	12 000	-
Investment Committee				
Chairperson	1	15 000	15 000	-
Member	3	12 000	12 000	-
Remuneration and Nomination Committee				
Chairperson	1	15 000	15 000	-
Member	2	12 000	12 000	-

The Chairpersons of the various Committees are responsible to assess the need for the meeting and to determine the duration thereof for remuneration purposes.

The non-executive directors also, in addition to the scheduled meetings as indicated above, attend various ad hoc meetings, participate in telephone conferences and undertake other preparatory work for which no additional fees are paid.

ACTUAL FEES PAID TO EXECUTIVE DIRECTORS FOR THE 2018 FINANCIAL YEAR

The executive directors are remunerated by the Manager (CEO and CFO) and the Investment Manager (CIO). The fees payable to the Manager and the Investment Manager are varied based on the ability to successfully acquire Viable Assets.

Director	N\$
Manager - Paratus	45 000
Investment Manager - Cirrus	-
Total	45 000

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.



Josephine Shikongo
Chairperson - Remuneration and Nomination Committee
29 June 2018

ANNUAL FINANCIAL STATEMENTS

DIRECTORS' RESPONSIBILITY

FOR AND APPROVAL OF THE ANNUAL FINANCIAL STATEMENTS

for the period ended 28 February 2018

The directors are responsible for the preparation of the annual financial statements that fairly present the state of affairs of the Company at the end of the financial period as set out on pages 1 to 48 and 56 to 83.

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 Risk, Audit 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 Company's policies and procedures. These controls are implemented by trained, skilled personnel, with appropriate segregation of duties, are monitored by executive directors and the Risk, Audit 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 pages 51 to 54.



Hans-Bruno Gerdes
Chairman
29 June 2018

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 Company. 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 Company 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 28 February 2018 as set out on pages 1 to 48 and 56 to 83 were approved by the Board of directors on 29 June 2018 and are signed on behalf of the Board by:



Jaco Esterhuysen
Chairperson – Risk, Audit and Compliance Committee

INDEPENDENT AUDITOR'S REPORT

To the shareholders of Nimbus Infrastructure Limited

OUR OPINION

In our opinion, the financial statements present fairly, in all material respects the financial position of Nimbus Infrastructure Limited (the Company) as at 28 February 2018, and its financial performance and its cash flows for the eight months then ended in accordance with International Financial Reporting Standards (IFRS) and the requirements of the Companies Act of Namibia.

WHAT WE HAVE AUDITED

Nimbus Infrastructure Limited's financial statements, set out on pages 56 to 79, comprise:

- The directors' report for the eight months ended 28 February 2018;
- the statement of financial position as at 28 February 2018;
- the statement of comprehensive income for the eight months then ended;
- the statement of changes in equity for the eight months then ended;
- the statement of cash flows for the eight months 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 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 Company in accordance with the International Ethics Standards Board for Accountants Code of Ethics for Professional Accountants (Parts A and B) and other independence requirements applicable to performing audits of financial statements in Namibia. We have fulfilled our other ethical responsibilities in accordance with this code and in accordance with other ethical requirements applicable to performing audits in Namibia.

OUR AUDIT APPROACH



Overall materiality

N\$ 1 024 000, which represents 1% of total assets.

Audit scope

The audit scope included the audit of Nimbus Infrastructure Limited and its associate company, Paratus Telecommunications (Proprietary) Limited.

Key audit matter

Determining if Paratus Telecommunications (Proprietary) Limited is a venture capital investment described in International Accounting Standard 28 *Investments in Associates and Joint Ventures* ("IAS 28")

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the 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 financial statements.

Based on our professional judgement, we determined certain quantitative thresholds for materiality, including the overall materiality for the 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.

Overall materiality	N\$1 024 000
How we determined it	1% of total assets

INDEPENDENT AUDITOR'S REPORT *(continued)*

Rationale for the materiality benchmark applied	<i>We chose total assets as the benchmark because, in our view, it is the benchmark against which the performance of the Company is measured. Nimbus Infrastructure Limited as an investment company, is focused on achieving returns on investments held, which returns are distributed to the shareholders after taking into account specific expenses. 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.</i>
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HOW WE TAILORED OUR AUDIT SCOPE

We tailored the scope of our audit in order to perform sufficient work to enable us to provide an opinion on the financial statements as a whole, taking into account the structure of the Company and its associate, the accounting processes and controls, and the industry in which the Company and its associate operates. The Company audit team performed a full scope audit on Nimbus Infrastructure Limited, and relied on a competent auditors' work, who performed a full scope audit on the associate, Paratus Telecommunications (Proprietary) Limited.

KEY AUDIT MATTERS

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

Key audit matter	How our audit addressed the key audit matter
Determining if Paratus Telecommunications (Proprietary) Limited is a venture capital investment as described in International Accounting Standard 28 <i>Investments in Associates and Joint Ventures</i> ("IAS 28")	
<p>Nimbus Infrastructure Limited was incorporated on 30 June 2017 and listed as a Capital Pool Company ("CPC") on the Namibian Stock Exchange on 6 October 2017. CPC's are cash shells that are listed on the stock exchange for the purpose of capital raising, ultimately to purchase or develop assets that fulfil a set of predetermined criteria, as stipulated in the Company's listing documentation.</p> <p>As set out in note 3 to the financial statements, Nimbus Infrastructure Limited finalised the acquisition of a 26.5% investment in Paratus Telecommunications (Proprietary) Limited, an associate of the Company, on 26 January 2018.</p> <p>IAS 28 requires that associates be accounted using the equity method, unless the associate is considered to be a venture capital investment and is held by a venture capital organisation. Venture capital organisations have the option of accounting for their associates that are venture capital investments using either the equity method or at fair value.</p> <p>In terms of IAS28, a venture capital investment can be distinguished from other investments by considering:</p> <ul style="list-style-type: none"> the way it is managed; the nature of the investment; and expected returns. <p>As disclosed in note 1.3.1 to the financial statements, the directors exercised judgement in determining whether or not the investment in Paratus Telecommunications (Proprietary) Limited was a capital venture investment. The directors concluded that the investment in the associate did not qualify as a venture capital investment and Nimbus Infrastructure Limited therefore accounted for the investment in the associate using the equity method. We considered this to be a matter of most significance to the audit because of the judgement that was required of the directors and because of the impact that the directors' conclusion had on the financial statements.</p>	<p>Our audit procedures included the following:</p> <ul style="list-style-type: none"> We assessed whether or not the investment in the associate was a venture capital investment by: <ul style="list-style-type: none"> Considering the day-to-day management of Nimbus Infrastructure Limited by Paratus Telecommunications (Proprietary) Limited, as per the Management Agreement between the companies; and Obtaining representations from the directors that Nimbus Infrastructure Limited does not have the intention to dispose of the investment in the associate and does not have a clear plan to explicitly dispose of the investment. <p>The results of our work performed were consistent with the directors' assessment.</p>

INDEPENDENT AUDITOR'S REPORT *(continued)*

OTHER INFORMATION

The directors are responsible for the other information. The other information comprises the information included in the *Nimbus Infrastructure Limited Integrated Annual Report for the period ended 28 February 2018*. Other information does not include the financial statements and our auditor's report thereon.

Our opinion on the 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 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 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 FINANCIAL STATEMENTS

The directors are responsible for the preparation and fair presentation of the 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 determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing 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 Company or to cease operations, or has no realistic alternative but to do so.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the 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 financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the 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 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 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 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 Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

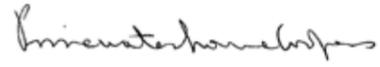
INDEPENDENT AUDITOR'S REPORT *(continued)*

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company and its associate to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the 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, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the current eight months 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
Chartered Accountants (Namibia)
Registered Accountants and Auditors
Per: Louis van der Riet
Partner
Windhoek, 29 June 2018



DIRECTORS' REPORT

The directors have pleasure in submitting their report, which forms part of the financial statements for the period ended 28 February 2018.

NATURE OF BUSINESS

The principal activity of the Company is to acquire interests in various ITC infrastructure related projects and entities across sub-Saharan Africa.

Nimbus Infrastructure Limited is listed on the Namibian Stock Exchange ('NSX').

Technology, Technology Hardware and Equipment, Telecommunications Equipment' sector

Share code: NUSP

ISIN: NA000A2DTQ42

Company registration number: 2017/0558

COMPARATIVE FINANCIALS

This is the first year of trading for Nimbus Infrastructure Limited. The Company was incorporated on 30 June 2017 and obtained its certificate to commence business on the same date.

The Company is domiciled in Namibia where it is incorporated and listed as a Capital Pool Company in terms of the Listing Requirements of the NSX. The Company was incorporated with an authorised share capital of 60 000 000 ordinary par value shares of N\$0.01 each of which 75 007 shares were initially issued to the shareholders.

The Company was listed on the NSX on 6 October 2017. 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.

DIRECTORATE

The directors at the date of this report are:

Director	Date appointed	Status
Hans-Bruno Gerdes	8 August 2017	Independent non-executive Chairperson
Brown Amuenje	8 August 2017	Independent non-executive director
Stuart Birch ¹	8 August 2017	Independent non-executive director
Jaco Esterhuysen ^{1,3,4}	23 May 2018	Non-executive director
Josephine Shikongo	8 August 2017	Independent non-executive director
Christoph Stork ²	8 August 2017	Independent non-executive director
Stefan de Bruin	8 August 2017	Chief Financial Officer Executive director
Schalk Erasmus	8 August 2017	Chief Executive Officer Executive director
Romé Mostert	30 June 2017	Chief Investment Officer Executive director

¹ South African

² German

³ Appointed subsequent to year end

⁴ Represents a major shareholder (Capricorn Investment Holdings Limited)

REVIEW OF ACTIVITIES

The annual financial statements have been prepared in accordance with International Financial Reporting Standards and the requirements of the Companies Act of Namibia.

Full details of the financial position, results of operations and cash flows of the Company are set out in these annual financial statements on pages 60 to 79.

SHARE CAPITAL

Refer to note 6 of the annual financial statements for the detail of the movement in authorised and issued share capital for the period under review.

DIVIDENDS

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.

No dividends were declared or paid to the shareholders during the period under review.

INTEREST IN ASSOCIATE

Details of the Company's associate are reflected in note 3 to the annual financial statements.

DIRECTORS' REPORT (continued)

ATTENDANCE OF DIRECTORS' AND SUB-COMMITTEE MEETINGS

Director	Board	Risk, Audit & Compliance	Remuneration & Nomination	Investment
Hans-Bruno Gerdes	3/3	-/-	-/-	
Brown Amuenje	3/3	-/-	-/-	1/1
Stuart Birch ¹	3/3			1/1
Josephine Shikongo	3/3	-/-	-/-	1/1
Christoph Stork ²	3/3			1/1
Stefan de Bruin (CFO)	3/3			
Schalk Erasmus (CEO)	3/3			
Romé Mostert (CIO)	3/3			

-/- no meetings were held during the period under review.

DIRECTORS' FEES

Director	Board Attendance fees N\$	Investment Committee Attendance fees N\$	TOTAL Attendance fees N\$
Hans-Bruno Gerdes (Chairperson)	97 500	-	97 500
Brown Amuenje	82 500	15 000	97 500
Stuart Birch	82 500	12 000	94 500
Josephine Shikongo	82 500	12 000	94 500
Christoph Stork	82 500	12 000	94 500
Total	427 500	51 000	478 500

The executive directors will receive remuneration for services rendered to Nimbus following the acquisition of a Viable Asset, other than Paratus.

The executive directors are remunerated by the Manager (CEO and CFO) and the Investment Manager (CIO). The fees payable to the Manager and the Investment Manager are varied based on the ability to successfully acquire Viable Assets. The Manager is paid a monthly fee of N\$15 000. Subsequent to year end the RNC approved an additional N\$15 000 per month payable to the Manager.

DIRECTORATE INTEREST IN SHARES

As at 28 February 2018, the directors of the Company and their associates held direct and indirect beneficial interests in 6.52% of its issued ordinary shares, as set out below:

Director	Direct number of shares	Indirect number of shares	Total number of shares	% of shares in issue
Stuart Birch		5 000	5 000	0.05%
Stefan de Bruin	100 000		100 000	0.96%
Schalk Erasmus	5 000	538 500	543 500	5.24%
Romé Mostert	1	25 000	25 001	0.24%
Josephine Shikongo	2 500		2 500	0.02%
Total shareholding	107 501	568 500	676 001	6.52%

There have been no changes in beneficial interests that occurred between the end of the reporting period and the date of this report.

DIRECTORS' REPORT *(continued)*

MATERIAL RESOLUTIONS

On 25 July 2017, the shareholders of Nimbus, inter alia, passed the following resolutions:

- A resolution that the Company is to apply to the NSX for the Listing of the Company as a CPC and that the Listing is to be done by way of introduction.
- A resolution that the authorised but unissued shares in the capital of the Company be and are placed under the control and authority of the directors of the Company and that the directors be and to be authorised to allot and issue at their discretion the unissued but authorised shares in the share capital of the Company and/or grant options to subscribe for the unissued shares, to such person/s for such purposes and on such terms and conditions as they may in their discretion deem fit, subject to the provisions of the Companies Act and the Articles of Association of the Company. The authority will endure until revoked by the members of the Company or until the next Annual General Meeting of the Company.
- A resolution of the shareholders that specific approval is granted to issue up to 30 000 000 shares in the Company which shares may be issued for cash as part of the private placement at a price of N\$10.00 per share.

On 22 September 2017, the shareholders of Nimbus, inter alia, passed the following resolutions:

- A special resolution of the shareholders to amend the Articles of Association of the Company as recommended by the Board of the NSX.
- A resolution of the shareholders to approve the remuneration policy of the directors.

On 6 December 2017, the shareholders of Nimbus, inter alia, passed the following resolution:

- The acquisition by the Company of the effective 26.5% of Paratus shares for an aggregate cash consideration of N\$95 million payable in cash, in accordance with the terms and subject to the conditions of the Acquisition Agreement;
- the use and retention of the Residual Capital by Nimbus to source new investments and for working capital purposes.

There were potential conflicts of interest between the various parties involved in the proposed acquisition of a 26.51% interest in Paratus. These below was disclosed in the Nimbus Pre-Listing Statement, and further information as to how the potential conflicts of interest have been addressed can be found in paragraph 10 of the Circular dated 16 November 2017.

- Cirrus was the transaction advisor on the proposed acquisition, in their capacity as Investment Manager, and is eligible to earn a fee on the successful completion of this transaction.
- Cirrus is a minority shareholder in Nimbus. These voting rights will not be exercised in the approval of the proposed acquisition.
- Cirrus has a representative serving on the Board of Nimbus, as the CIO, as per the terms of the Investment Agreement, signed before the listing of Nimbus. This representative will not partake in the Board approval process for the proposed acquisition.
- It is Cirrus's opinion, that the performance of these functions or the minority shareholding does not impair Cirrus's independence from Nimbus or impair Cirrus's objectivity in its professional services to Nimbus or in relation to the acquisition.
- Paratus was the target of the proposed acquisition.
- Paratus is the Manager of Nimbus as per the Management Agreement signed prelisting of Nimbus.
- Paratus has two representatives serving on the Board of Nimbus, as the CEO and CFO, as per the terms of the Management Agreement. These representatives will not partake in the Board approval process for the proposed acquisition.
- It has been agreed that the assets acquired through the proposed acquisition will be excluded from the asset base upon which the management fees for Paratus' are calculated. Therefore, no management fees will be payable to Paratus resulting from the proposed acquisition. Paratus will, however, remain liable to perform in terms of its obligation as stipulated in the Management Agreement.
- Schalk Leipoldt Van Zyl Erasmus holds a significant shareholding in Nimbus on behalf of Paratus, as their nominee. These voting rights were not exercised in the approval of the proposed acquisition.
- A number of the significant shareholders in Paratus are also shareholders in Nimbus. These interests are disclosed in more detail in paragraphs 3 and 4 of the circular dated 16 November 2017. These voting rights were not exercised in the approval of the proposed acquisition.

DECLARATION OF INTEREST IN CONTRACTS

AUDITORS

PricewaterhouseCoopers ("PWC") will continue to be the

DIRECTORS' REPORT *(continued)*

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

Registered Office

1 Charles Cathral Street
P.O. Box 81588
Windhoek
Olympia
Namibia
Windhoek, Namibia

GOING CONCERN

The directors are of the opinion that the Company has adequate resources to continue its operations for the foreseeable future and the annual financial statements have accordingly been prepared on a going concern basis.

SUBSEQUENT EVENTS



Hans-Bruno Gerdes
Chairman
29 June 2018

Changes to the Board of directors: Jaco Esterhuysen was appointed to the Board on 23 May 2018. An abridged curricula vitae is available on page 20 of this Integrated Annual Report.

In a circular dated 27 March 2018, Nimbus announced a proposed share swap agreement to increase its shareholding in Paratus from 26.5% to 51.4%. The circular also included a rights issue to reduce the dilutionary effect of the share swap transaction.

On 17 April 2018 the Nimbus shareholders approved an ordinary resolution to proceed with the share swap transaction and the rights issue. All the conditions precedent have been fulfilled on 1 June 2018.

The transaction will conclude on 13 July 2018, and results will be communicated on NENS on the 14th of July and in the Namibian press on the 17th of July 2018.

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.



Jaco Esterhuysen
Chairperson – Risk, Audit and Compliance Committee

STATEMENT OF FINANCIAL POSITION

as at 28 February 2018

	Notes	N\$ 2018
ASSETS		
Non-Current Assets		98 639 039
Investment in associate	3	98 639 039
Current Assets		3 783 764
Other investments	4	3 681 550
Cash and cash equivalents	5	102 214
TOTAL ASSETS		102 422 803
EQUITY AND LIABILITIES		
Capital and Reserves		102 348 013
Share capital	6	103 634
Share premium	6	101 530 407
Retained earnings		713 972
Current Liabilities		74 790
Trade and other payables	7	74 790
TOTAL EQUITY AND LIABILITIES		102 422 803

STATEMENT OF COMPREHENSIVE INCOME

for the 8 months ended 28 February 2018

	Notes	N\$ 2018
Revenue - dividends received	10	2 214 978
Operating expenses		(1 630 711)
Operating profit	11	584 267
Profit share of associate	3	129 650
Interest received		55
Profit before taxation		713 972
Taxation	12	-
Profit for the period		713 972
Other comprehensive income		-
Total comprehensive income for the period		713 972
Basic and diluted earnings per share (cents)	13	10.99

STATEMENT OF CHANGES IN EQUITY

for the period ended 28 February 2018

	Notes	Share capital	Share premium	Retained income	Total equity
Balance at 1 July 2017		-	-	-	-
Changes in equity					
Issued share capital	6	103 634			103 634
Share premium	6		101 530 407		101 530 407
Total comprehensive income				713 972	713 972
Total changes		103 634	101 530 407	713 972	102 348 013
Balance at 28 February 2018		103 634	101 530 407	713 972	102 348 013

STATEMENT OF CASH FLOWS

for the period ended 28 February 2018

	Notes	N\$ 2018
Cash flows from operating activities		
Cash utilised by operations	9	(1 555 921)
Interest received		55
Dividends received		2 214 978
Net cash from operating activities		659 112
Cash flows from investing activities		
Acquisition of money market funds and similar securities		(3 681 550)
Acquisition of equity accounted investment		(98 509 389)
Net cash from investing activities		(102 190 939)
Cash flows from financing activities		
Proceeds from issue of shares (net of issue cost)		101 634 041
Net cash from financing activities		101 634 041
Total cash movement for the period		102 214
Cash at the beginning of the period		-
Total cash at the end of the period	5	102 214

NOTES TO THE FINANCIAL STATEMENTS

for the period ended 28 February 2018

1. SIGNIFICANT ACCOUNTING POLICIES

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

1.1 GENERAL INFORMATION

This is the first year of trading of Nimbus Infrastructure Limited. The Company was incorporated on 30 June 2017 and obtained its certificate to commence business on the same date and accordingly do not present any comparative information.

The Company was listed on 6 October 2017 through a private placement and was the first Capital Pool Company ("CPC") listed on the NSX. A CPC is a cash shell that is listed on the stock exchange for the purpose of capital raisings, ultimately to purchase or develop assets that fulfil a set of predetermined criteria. As a listed entity, a CPC must abide by conventional stock exchange rules, as well as rules put in place specifically for CPC's. The listing requirements for CPC's requires that at the time of listing these companies have no on-going operations. Once a CPC has completed the acquisition of a Viable Asset it is no longer considered a CPC and continues to operate as a conventional listed Company.

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.

On 26 January 2018 Nimbus has finalised the acquisition of a 26.5% interest in Paratus Telecommunications (Pty) Ltd. The rationale for the transaction is inter alia to gain access to the Paratus diversified revenue streams and asset base, which includes the Trans Kalahari Fiber line, to provide Nimbus with the opportunity to pursue further investments in countries where Paratus Telecommunications (Pty) Ltd has a presence, to provide a solid foundation for further capital raisings to fund projects or acquisitions and the investment into this Viable Asset enabled Nimbus to make an early transition from a Capital Pool Company to a fully-fledged listed Company on the NSX mainboard.

1.2. BASIS OF PREPARATION

The annual financial statements have been prepared on the going concern basis in accordance with, and in compliance with the International Financial Reporting Standards and the Companies Act of Namibia.

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

1.3 ACCOUNTING POLICIES

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

1.3.1 Significant judgements, sources of estimation uncertainty and assumptions

The directors exercised judgement in determining whether or not the investment in Paratus Telecommunications (Proprietary) Limited was a venture capital investment. The directors concluded that the investment in the associate did not qualify as a venture capital investment and Nimbus Infrastructure Limited therefore accounted for the investment in the associate using the equity method.

Sources of estimation uncertainty:

There are no key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date that management have assessed as having a significant risk of causing material adjustment to the carrying amounts of the assets and liabilities within the next financial year.

1.3.2 Investments in associates

An associate is an entity over which the group has significant influence and which is neither a subsidiary nor a joint arrangement. Significant influence is the power to participate in the financial and operating policy decisions of the investee but has no control or joint control over those policies. It generally accompanies a shareholding of between 20% and 50% of the voting rights.

Investments in associates are accounted for using the equity method, except when the investment is classified as held for sale in accordance with IFRS 5 Non-current Assets Held for Sale and Discontinued Operations. Under the equity method, investments in associates are carried in the Statement of Financial Position at cost adjusted for post-acquisition changes in the group's share of net assets of the associate, less any impairment losses.

The Company's share of post-acquisition profit or loss is recognised in profit or loss, and its share of movements in other comprehensive income is recognised in other comprehensive income with a corresponding adjustment to the carrying amount of the investment. Losses in an associate in excess of the group's interest in that associate, including any other unsecured receivables, are recognised only to the extent that the group has incurred a legal or constructive obligation to make payments on behalf of the associate.

NOTES TO THE FINANCIAL STATEMENTS (continued)

for the period ended 28 February 2018

1.3.2 Investments in associates (continued)

Any goodwill on acquisition of an associate is included in the carrying amount of the investment, however, a gain on acquisition is recognised immediately in profit or loss.

Profits or losses on transactions between the group and an associate are eliminated to the extent of the group's interest therein. Unrealised losses are eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of associates have been changed where necessary to ensure consistency with the policies adopted by the Company.

When the group reduces its level of significant influence or loses significant influence, the group proportionately reclassifies the related items which were previously accumulated in equity through other comprehensive income to profit or loss as a reclassification adjustment. In such cases, if an investment remains, that investment is measured to fair value, with the fair value adjustment being recognised in profit or loss as part of the gain or loss on disposal.

Investments in associates are carried at cost less any accumulated impairment losses. This excludes investments which are held for sale and are consequently accounted for in accordance with IFRS 5 Non-current Assets Held for Sale and Discontinued Operations.

1.3.3 Financial instruments

Classification

The Company classifies financial assets and financial liabilities into the following categories:

- Financial assets at fair value through profit or loss - designated

Classification depends on the purpose for which the financial instruments were obtained / incurred and takes place at initial recognition. Classification is re-assessed on an annual basis, except for derivatives and financial assets designated as at fair value through profit or loss, which shall not be classified out of the fair value through profit or loss category.

A financial asset classified as available-for-sale that would have met the definition of loans and receivables may be reclassified to loans and receivables if the entity has the intention and ability to hold the asset for the foreseeable future or until maturity.

Initial recognition and measurement

Financial instruments are recognised initially when the Company becomes a party to the contractual provisions of the instruments.

The Company classifies financial instruments, or their component parts, on initial recognition as a financial asset, a financial liability or an equity instrument in accordance with the substance of the contractual arrangement.

Financial instruments are measured initially at fair value, except for equity investments for which a fair value is not determinable, which are measured at cost and are classified as available-for-sale financial assets.

For financial instruments which are not at fair value through profit or loss, transaction costs are included in the initial measurement of the instrument.

Transaction costs on financial instruments at fair value through profit or loss are recognised in profit or loss.

Subsequent measurement

Financial instruments at fair value through profit or loss are subsequently measured at fair value, with gains and losses arising from changes in fair value being included in profit or loss for the period.

Net gains or losses on the financial instruments at fair value through profit or loss, dividends and interest.

Dividend income is recognised in profit or loss as part of other income when the Company's right to receive payment is established.

Financial liabilities at amortised cost are subsequently measured at amortised cost, using the effective interest method.

Derecognition

Financial assets are derecognised when the rights to receive cash flows from the investments have expired or have been transferred and the Company has transferred substantially all risks and rewards of ownership.

Fair value determination

The fair values of quoted investments are based on current bid prices. If the market for a financial asset is not active (and for unlisted securities), the Company establishes fair value by using valuation techniques. These include the use of recent arm's length transactions, reference to other instruments that are substantially the same, discounted cash flow analysis, and option pricing models making maximum use of market inputs and relying as little as possible on entity-specific inputs.

Impairment of financial assets

At each reporting date the Company assesses all financial assets, other than those at fair value through profit or loss, to determine whether there is objective evidence that a financial asset or group of financial assets has been impaired.

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

for the period ended 28 February 2018

1.3.3 Financial instruments *(continued)*

For amounts due to the Company, significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy and default of payments are all considered indicators of impairment.

Impairment losses are recognised in profit or loss.

Impairment losses are reversed when an increase in the financial asset's recoverable amount can be related objectively to an event occurring after the impairment was recognised. Subject to the restriction that the carrying amount of the financial asset at the date that the impairment is reversed shall not exceed what the carrying amount would have been had the impairment not been recognised.

Trade and other payables

Trade payables are initially measured at cost, and are subsequently measured at amortised cost, using the effective interest rate method.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value. These are initially and subsequently recorded at fair value.

1.3.4 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.

1.3.5 Impairment of assets

The Company 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 Company 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 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.

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

for the period ended 28 February 2018

1.3.5 Impairment of assets *(continued)*

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.

1.3.6 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.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

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 period in which they are declared.

1.3.7 Provisions and contingencies

Provisions are recognised when:

- the Company 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.

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.

A constructive obligation to restructure arises only when an entity:

- has a detailed formal plan for the restructuring, identifying at least:
- the business or part of a business concerned;
- » the principal locations affected;

- » the location, function, and approximate number of employees who will be compensated for terminating their services;
- » the expenditures that will be undertaken; and
- » when the plan will be implemented; and
- » has raised a valid expectation in those affected that it will carry out the restructuring by starting to implement that plan or announcing its main features to those affected by it.

After their initial recognition contingent liabilities recognised in business combinations that are recognised separately are subsequently measured at the higher of:

- the amount that would be recognised as a provision; and
- the amount initially recognised less cumulative amortisation.

Contingent assets and contingent liabilities are not recognised.

1.3.8 Revenue

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

Interest is recognised, in profit or loss, using the effective interest rate method.

Dividends are recognised, in profit or loss, when the Company's right to receive payment has been established.

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

for the period ended 28 February 2018

2. NEW STANDARDS AND INTERPRETATIONS

2.1. Standards and interpretations effective and adopted in the current period

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

- **IAS 7 Disclosure Initiative - Amendments to IAS 7 - effective 1 January 2017**

Disclosure Initiative: Amendments requiring entities to disclose information about changes in their financing liabilities. The additional disclosures will help investors to evaluate changes in liabilities arising from financing activities, including changes from cash flows and non-cash changes (such as foreign exchange gains or losses).

2.2. Standards and interpretations not yet effective

At the date of authorisation of these financial statements, the below Standards and Interpretations which may be applicable to the Company were in issue but not yet effective.

Management has assessed the impact of these new and revised standards on the Company not to be material.

- **IFRS 3, Business Combinations - effective 1 January 2019**

Annual Improvements 2015 - 2017 Cycle: Clarification that when an entity obtains control of a business that is a joint operation, it is required to re-measure previously held interests in that business.

- **IFRS 9 Financial Instruments - effective 1 January 2018**

IFRS 9 (2014) supersedes any previous versions of IFRS 9, but earlier versions of IFRS 9 remain available for application if the relevant date of application is before 1 February 2015

A final version of IFRS 9 has been issued which replaces IAS 39 Financial Instruments: Recognition and Measurement. The completed standard comprises guidance on Classification and Measurement, Impairment Hedge Accounting and Derecognition:

- IFRS 9 introduces a new approach to the classification of financial assets, which is driven by the business model in which the asset is held and its cash flow characteristics. A new business model was introduced which allows certain financial assets to be categorised as “fair value through other comprehensive income” in certain circumstances.
- The requirements for financial liabilities are mostly

carried forward unchanged from IAS 39. However, some changes were made to the fair value option for financial liabilities to address the issue of own credit risk.

- The new standard introduces a single “expected credit loss” impairment model for the measurement of financial assets.
- IFRS 9 contains a new model for hedge accounting that aligns the accounting treatment with the risk management activities of an entity, in addition enhanced disclosures will provide better information about risk management and the effect of hedge accounting on the financial statements.
- IFRS 9 carries forward the derecognition requirements of financial assets and liabilities from IAS 39.

IFRS 9 is required to be adopted retrospectively from 1 January 2018. However, IFRS 9 provides relief from restating comparative information by recognizing, in the opening retained earnings any differences between the previous carrying amounts at the beginning of the annual reporting period that includes the date of the initial application.

Management does not expect that comparative figures will have to be restated or that there will be any differences in the carrying amounts.

- **IFRS 9 Financial Instruments - effective 1 January 2019**

Prepayment Features with Negative Compensation. The narrow-scope amendment allows companies to measure particular prepayable financial assets with negative compensation at amortised cost or at fair value through other comprehensive income if a specified condition is met.

- **IFRS 15 Revenue from Contracts from Customers - effective 1 January 2018**

New standard that requires entities to recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. This core principle is achieved through a five step five-step methodology that is required to be applied to all contracts with customers.

The new standard will also result in enhanced disclosures about revenue, provide guidance for transactions that were not previously addressed comprehensively and improve guidance for multiple-element arrangements.

The new standard supersedes:

- IAS 11 Construction Contracts;
- IAS 18 Revenue;
- IFRIC 13 Customer Loyalty Programmes;
- IFRIC 15 Agreements for the Construction of Real Estate;
- IFRIC 18 Transfers of Assets from Customers; and
- (f) SIC-31 Revenue—Barter Transactions Involving Advertising Services.

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

for the period ended 28 February 2018

2.2. Standards and interpretations not yet effective *(continued)*

- **IAS 12 Income Taxes - effective 1 January 2019**

Annual Improvements 2015 - 2017 Cycle: Clarification that all income tax consequences of dividends should be recognised in profit or loss, regardless how the tax arises.

- **IAS 28 Investments in Associates and Joint Ventures - effective 1 January 2018**

Annual Improvements 2014-2016 Cycle: Clarification that a venture capital organisation, or a mutual fund, unit trust and similar entities may elect, at initial recognition, to measure investments in an associate or joint venture at fair value through profit or loss separately for each associate or joint venture.

- **IAS 28 Investments in Associates and Joint Ventures - effective 1 January 2019**

Long-term interest in Associates and Joint Ventures: Clarification provided that an entity should apply IFRS 9 to long-term interests in an associate or joint venture that form part of the net investment in the associate or joint venture but to which the equity method is not applied.

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

for the period ended 28 February 2018

3. INVESTMENT IN ASSOCIATE

On 26 January 2018 Nimbus has finalised the acquisition of a 26.5% interest in Paratus Telecommunications (Pty) Ltd ("Paratus"). In terms of the acquisition Nimbus has 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 Nimbus for an amount of N\$75 million, to bring the effective shareholding of Nimbus in Paratus after the allotment to 26.5%, resulting in an effective 20.1% dilution of existing shareholders.

The total aggregate consideration paid was N\$95 million. The purchase consideration was settled from the cash raised from the private placement. Transaction costs to the amount of N\$3.5 million was capitalised to the investment, which inter alia include fees for a comprehensive financial, tax and legal due diligence, a fair and reasonable opinion from an independent expert, transaction fees to the investment manager and regulatory approval costs.

Associates are entities in which the Company has significant influence but does not control or jointly control. The Company is presumed to have significant influence when it has power over between 20% and 50% of the voting rights. The Company includes the results of associates in its financial statements using the equity accounting method from the date of acquisition.

	N\$ 2018
Investment in Paratus Telecommunications (Pty) Ltd at cost	98 509 389
Share of February 2018 after taxation profit	129 650
Investment value at 28 February 2018	98 639 039

The Paratus year-end coincides with the Nimbus year end. The most recent audited annual financial statements of Paratus are used in applying the equity method of accounting. No dividends were declared by Paratus during the period under review.

The audited condensed consolidated financial results of Paratus for the year ended 28 February 2018 are as follows:

Condensed consolidated statement of comprehensive income
for the year ended 28 February 2018

	Group N\$ 2018	Company N\$ 2018	Company N\$ 2017
Revenue	279 623 198	279 623 198	245 509 537
Cost of sales	(158 035 660)	(158 035 660)	(135 256 429)
Gross profit	121 587 537	121 587 537	110 253 108
Gross profit %	43.5%	43.5%	44.9%
Other income	8 699 669	20 070 370	5 605 282
Operating expenses	(113 240 962)	(124 445 862)	(88 749 604)
Profit before finance charges	17 046 244	17 212 046	27 108 786
Finance charges	(13 396 739)	(13 396 739)	(13 771 804)
Profit before taxation	3 649 505	3 815 307	13 336 982
Taxation	(2 791 556)	(2 791 556)	(3 325 707)
Profit for the year	857 949	1 023 751	10 011 275
Other comprehensive income	-	-	-
Total comprehensive income for the year	857 949	1 023 751	10 011 275

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

for the period ended 28 February 2018

3. INVESTMENT IN ASSOCIATE *(continued)*

Condensed consolidated statement of financial position
as at 28 February 2018

	Group N\$ 2018	Company N\$ 2018	Company N\$ 2017
Assets			
Non-current assets	193 359 887	206 638 880	163 724 399
Current assets	98 429 183	98 280 423	43 229 641
Total assets	291 789 070	304 919 303	206 954 040
Equity and liabilities			
Equity	87 112 075	98 377 875	28 486 399
Liabilities			
Non-current liabilities	145 679 298	145 097 116	127 176 398
Current liabilities	58 997 697	61 444 312	51 291 243
Total liabilities	204 676 995	206 541 428	178 467 641
Total equity and liabilities	291 789 070	304 919 303	206 954 040

4. OTHER INVESTMENTS

Bank Windhoek Corporate Fund - Money Market

	N\$ 2018
Opening balance	-
Dividends	888 785
Investment deposits	145 966 249
Withdrawals	(143 452 172)
	3 402 862

Old Mutual Namibia Corporate Fund - Money market

	N\$ 2018
Opening balance	-
Dividends	1 326 193
Investment deposits	59 783 723
Withdrawals	(60 831 228)
	278 688
	3 681 550

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

Fair value hierarchy

This note explains the judgements and estimates made in determining the fair values of the financial instruments that are recognised and measured at fair value in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its financial instruments into the three levels prescribed under the accounting standards.

Other investments are classified as level 2 financial instruments. Level 2 financial instruments are valued at prices relative to prices in the market. The fair value of the investments equals their carrying amounts.

NOTES TO THE FINANCIAL STATEMENTS (continued)

for the period ended 28 February 2018

4. OTHER INVESTMENTS (continued)

Recurring fair value measurements at 28 February 2018	Level 2	Total
Financial assets designated at fair value through profit or loss		
Bank Windhoek Corporate Fund - Money Market	3 402 862	3 402 862
Old Mutual Namibia Corporate Fund - Money market	278 688	278 688
	3 681 550	3 681 550

5. CASH AND CASH EQUIVALENTS

	N\$ 2018
Bank balances	102 214

6. CAPITAL AND RESERVES

	N\$ 2018
Authorised	
60 000 000 Ordinary shares of N\$0.01 each	600 000
Issued share capital and share premium	
10 363 407 Ordinary shares of N\$0.01 each	103 634
Share premium - varied	101 530 407
	101 634 041

There were no shares in Nimbus Infrastructure Limited held by the Company.

7. TRADE AND OTHER PAYABLES

	N\$ 2018
PAYE payable	15 750
Withholding tax payable	13 750
Accrued expense	45 290
	74 790

NOTES TO THE FINANCIAL STATEMENTS (continued)

for the period ended 28 February 2018

2018 8. CATEGORIES OF FINANCIAL INSTRUMENTS	Notes	At fair value through profit and loss N\$	Financial instruments at amortised cost N\$	Loans and receivables N\$
ASSETS				
Current Assets				
Other investments	4	3 681 550	-	-
Cash and cash equivalents	5	-	-	102 214
TOTAL ASSETS		3 681 550	-	102 214
EQUITY AND LIABILITIES				
Current Liabilities				
Trade and other payables	7	-	74 790	-
TOTAL LIABILITIES		-	74 790	-

NOTES TO THE FINANCIAL STATEMENTS (continued)

for the period ended 28 February 2018

9. CASH UTILISED BY OPERATIONS	N\$ 2018
Profit before taxation	713 972
Adjustments for:	
Interest received	(55)
Dividends received	(2 214 978)
Profit share of associate	(129 650)
Changes in working capital:	
Increase in trade and other payables	74 790
	(1 555 921)

10. REVENUE	N\$ 2018
Dividends received - money market	2 214 978

11. OPERATING PROFIT	N\$ 2018
Operating profit for the period is stated after accounting for the following:	
Audit fees	57 500
Directors' fees	478 500

12. TAXATION

No taxation has been provided as the Company had no taxable income for the period under review. The calculated loss at year end amounts to N\$3 722.

13. BASIC AND DILUTED EARNINGS PER ORDINARY SHARE

The weighted earnings and diluted earnings per share for the period are calculated as follows:

	Number of shares	Weighted number of shares
7 Ordinary shares at incorporation - 30 June 2017 - at N\$0.01 each	7	7
75 000 Ordinary shares issued - 31 July 2017 - at N\$8.00 each	75 000	65 625
10 288 400 Ordinary shares issued - 6 October 2017 - at N\$10.00 each	10 288 400	6 430 250
	10 363 407	6 495 882

	2018 N\$
Basic and headline earnings (profit for the period)	713 972

	2018 cents per share
Basic and diluted earnings per ordinary share	10.99

NOTES TO THE FINANCIAL STATEMENTS (continued)

for the period ended 28 February 2018

14. SEGMENT INFORMATION

The Company considers its investment segment as represented in this financial statements as its only operating segment. This is in a manner consistent with the internal reporting provided to the chief operating decisionmaker, identified as the Chief Executive Officer of the Company. The chief operating decision maker is the person that allocates resources to and assesses the performance of the operating segment of an entity.

15. RELATED PARTIES

Relationships

Associate	Paratus Telecommunications (Pty) Ltd - Namibia
Members of key management	S.L.V.Z Erasmus (CEO) S.I. de Bruin (CFO) M.R. Mostert (CIO)
Non-executive directors	H-B Gerdes J.N.N. Shikongo I.B. Amuenje C.O. Stork S.H. Birch J.J. Esterhuysen

Related party balances

Investment in associate

Paratus Telecommunications (Pty) Ltd - Namibia (refer note 3)	98 639 039
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Related party transactions

Operating expenses

Paratus Telecommunications (Pty) Ltd - Namibia	45 000
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Directors' remuneration

Directors' fees	478 500
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Directors' interests in shares

Director	Direct number of shares	Indirect number of shares	Total number of shares	% of shares in issue
Stuart Birch		5 000	5 000	0.05%
Stefan de Bruin	100 000		100 000	0.96%
Schalk Erasmus	5 000	538 500	543 500	5.24%
Romé Mostert	1	25 000	25 001	0.24%
Josephine Shikongo	2 500		2 500	0.02%
Total shareholding	107 501	568 500	676 001	6.52%

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

for the period ended 28 February 2018

16. DIVIDENDS PER SHARE

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.

Nimbus Infrastructure Limited did not declare or paid interim dividends during the eight-month period ended 28 February 2018.

17. SEASONALITY OR CYCLICALITY OF OPERATIONS

The revenue of the entity is not seasonal or cyclically determined. Revenue is generated based on the investments made and fluctuate with the performance of the investments. The full dividend revenue accumulated in the second half of the year.

18. EVENTS SUBSEQUENT TO PERIOD-END

On 17 April 2018 the Nimbus shareholders have approved an ordinary resolution for a share swap transaction and a rights issue.

In terms of the share swap transaction Nimbus will acquire 24.9% of the issued share capital in Paratus and will therefore increase the effective see-through economic interest from 26.5% to 51.4%. The purchase consideration shall consist of the issue of 8 495 400 new ordinary shares in Nimbus to be allotted to the sellers at a pre-determined and agreed upon price of N\$10.50 each and a total value of N\$89 201 700. The issue of the new ordinary shares in Nimbus will cause a dilution of 24.7% for all current shareholders.

In terms of the rights issue, qualifying shareholders will be entitled to subscribe for 15 545 085 rights issue shares at a subscription price of N\$10.50 per rights issue share. This transaction will reduce the dilutionary effect to current shareholders, which excludes the share swap participants.

19. FINANCIAL RISK MANAGEMENT

The Company's financial instruments consist mainly of deposits with banks, other investments, investment in associate and trade and other payables. In the normal course of its operations, the Company is inter alia exposed to capital, credit, liquidity and market risk. In order to manage these risks, the Company may enter into transactions that make use of derivatives. The Company does not speculate in or engage in the trading of derivative instruments.

20. CAPITAL RISK MANAGEMENT

Capital is actively managed to ensure that the Company is properly capitalised and funded at all times.

The Company 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 Company further ensures that it can meet its expected capital and financing needs at all times, having regard to the business plans, forecasts and any strategic initiatives.

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

Total assets:Total liabilities 1 369:1

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

for the period ended 28 February 2018

21. CREDIT RISK MANAGEMENT

Credit risk is the risk of loss associated with a counterparty's failure or inability to fulfil 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 Company's credit risk is primarily attributable to its investment in associates, other investments 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, is evidence of a reduction in the recoverability of the cash flows. The Company has no significant concentration of credit risk, with exposure spread over a large number of counterparties and customers.

The credit risk attached to the Company's cash resources is minimised by its cash resources only being placed with reputable financial institutions, as well as by keeping cash on hand to a relatively low level. Credit risk with respect to other investments are limited due to the creditworthiness of institutions.

	N\$ 2018
<i>Total credit exposure</i>	
Other investments (note 4)	3 681 550
Cash and cash equivalents (note 5)	102 214
	3 783 764

	Short term	Long term	N\$ 2018
Bank Windhoek Corporate Fund - Money Market	Not available	Not available	3 402 862
Old Mutual Namibia Corporate Fund - Money Market	Not available	Not available	278 688
First National Bank of Namibia Limited	A1+ _(NA)	AA+ _(NA)	102 214
			3 783 764

22. CREDIT RISK MANAGEMENT

	N\$ 2018
Neither past due nor impaired	3 783 764

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

for the period ended 28 February 2018

23. MARKET RISK

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rate. Interest rate movements impact on the value of the Company's short-term cash investments and payables (where applicable). The exposure to interest rate risk is managed through monitoring cash flows, investing surplus cash at negotiated rates and fixing interest rates on borrowings when appropriate, which enables the Company to maximise returns while minimising risks.

The Company is exposed to interest rate fluctuations.

The below table illustrates the potential impact a 1% change in interest rates could have on the profit before taxation, assuming the full balance at reporting date attracts interest.

2018	Notes	Balance at Reporting date N\$	1% interest impact N\$
ASSETS			
Current assets			
Other investments	4	3 681 550	36 816
Cash and cash equivalents	5	102 214	1 022
LIABILITIES			
Current liabilities			
Trade and other payables	7	74 790	748
		3 708 974	37 090

24. LIQUIDITY RISK MANAGEMENT

Liquidity risk is the risk that cash may not be available to pay obligations when due at a reasonable cost. The Company proactively manages its liquidity risk by regularly assessing working capital requirements and monitoring cash flows, whilst ensuring surplus cash is invested in a manner to achieve maximum returns.

The following table details the Company's remaining contractual maturity for its financial liabilities. The table has been drawn up based on the actual settlement amounts of financial liabilities based on the earliest date on which the Company can be required to pay.

	N\$
Less than 3 months	
- Trade and other payables	74 790

25. FOREIGN CURRENCY RISK MANAGEMENT

The Company does not undertake transactions denominated in foreign currencies and consequently is not exposed to exchange rate fluctuations arise.

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

for the period ended 28 February 2018

26. BUSINESS COMBINATION

On 26 January 2018 Nimbus has finalised the acquisition of a 26.5% interest in Paratus Telecommunications (Pty) Ltd ("Paratus") or the total aggregate consideration of N\$95 million as follows:

- an initial cash payment of N\$20 million to acquire 8% of the issued share capital in Paratus (prior to the dilution effect caused by the events in (ii) below) from Cuvelai Telecommunications (Pty) Ltd; and
- 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%, resulting in an effective 20.1% dilution of existing shareholders.

The shareholding was obtained at valuation and no gain or loss was recognised as a result of the acquisition.

The share of the profit after taxation of Paratus as at February 2018 included in the Statement of comprehensive income amount to N\$129 650.

Paratus was founded as a Internet Technologies Company delivering the full spectrum of ICT services ranging from 4G LTE, fiber technology, VSAT, MPLS, voice, hosting, portable products and LAN solutions.

On 17 April 2018, post reporting period end, the Nimbus shareholders have approved an ordinary resolution for a share swap transaction and a rights issue.

In terms of the share swap transaction Nimbus will acquire 24.9% of the issued share capital in Paratus, consisting of 8 815 ordinary shares held by Cuvelai Telecommunications (Pty) Ltd ("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.

On 1 June 2018 the share swap transaction concluded and as a result the shareholding in Paratus increased from 26.5% to 51.4%. Voting rights also equates to 51.4%.

The purchase consideration consists of the issue of 8 495 400 new ordinary shares in Nimbus to be allotted to the sellers at a pre-determined and agreed upon price of N\$10.50 each and a total value of N\$89 201 700.

A controlling interest in Paratus secures strategic control of the TKF Line, which is believed will play an instrumental role in the future private sector growth in the ICT sector in Namibia and establish Nimbus as an integral player in Paratus, with a proven investment track record, which will secure Nimbus access to the Paratus Group investment pipeline in the rest of sub-Saharan Africa.

At date of the report the initial accounting for the acquisition of the business combination after the end of the reporting period is incomplete. The following disclosures could not be made:

- acquired receivables (fair value, contractual amounts and best estimate of the contractual cash flows not expected to be collected);
- Amounts to be recognised for each major class of asset acquired and liabilities assumed;
- The gain or loss on acquisition date, measurement basis and reason for gain (if applicable); and
- Amount of the non-controlling interest, the valuation techniques and significant inputs used to measure the value.

The background image shows a person's hand touching a smartphone screen. Overlaid on this are various technical diagrams, including a perspective view of a structure with dimensions of 0.01 m and points A, B, and C, and a top-down view of a hand with dimensions of 0.01 m, 0.02 m, and 0.04 m. A circular graphic on the right contains the text 'SHAREHOLDER INFORMATION'.

SHAREHOLDER INFORMATION

SHAREHOLDERS' INFORMATION

SHAREHOLDERS' DIARY

Financial year end	28 February
Interim financial reporting date	31 August
Annual General Meeting	27 July 2018

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.

2018 ANALYSIS OF SHAREHOLDERS				Number of shareholders	% of shareholders	Number of shares held	% of shares held
Size of holding							
1	-	99		26	10.8	148 425	1.4
100	-	499		42	17.5	49 600	0.5
500	-	999		22	9.2	49 130	0.5
1000	-	1999		11	4.6	33 500	0.3
2000	-	2999		47	19.6	8 301	0.1
3000	-	3999		3	1.3	12 500	0.1
4000	-	4999		5	2.1	5	0.0
5000	-	10 000		22	9.2	12 600	0.1
Over 10 000				62	25.8	10 049 346	97.0
				240	100.0	10 363 407	100.0

TYPE OF SHAREHOLDERS

Individuals and estates			207	86.3	1 306 937	12.6
Trusts			10	4.2	146 500	1.4
Nominee Corporates			4	1.7	4 692 599	45.3
Corporate bodies			19	7.9	4 217 371	40.7
				240	100.0	10 363 407

2018 SIGNIFICANT SHAREHOLDERS

Shareholders invested in 1% or more of the Company

	Number of shares held	% of shares held
Capricorn Investment Holdings Limited	3 446 071	33.25
Standard Bank Nominees (Pty) Ltd.*	2 676 641	25.83
CBN Nominees (Pty) Ltd.*	1 030 220	9.94
First National Bank Nominees (Namibia) (Pty) Ltd.*	983 738	9.49
Paratus Telecommunications (Pty) Ltd.	535 000	5.16
Stefanus Isaias de Bruin	100 000	0.96
Niel Werner Lassen	100 000	0.96
Malan Lindeque	100 000	0.96
Norval Family Trust	100 000	0.96
	9 071 670	87.51

* Shares held by nominees consist of shares held on behalf of various shareholders

SHAREHOLDERS' INFORMATION (continued)

2018 SHAREHOLDER SPREAD	Number of shareholders	% of shareholders	Number of shares held	% of shares held
Non-public				
Held by directors: Direct	4	1.67	107 501	1.03
Held by directors: Indirect	3	1.25	568 500	5.49
Holdings > 10% of issued shares	2	0.83	6 122 712	59.08
Public	231	96.25	3 564 694	34.40
TOTAL	240	100.0	10 363 407	100.00

SHARES TRADED AND ISSUED

	2018
Number of shares traded on the NSX	2,830
Number of shares traded off market	10 363 407
Shares traded as a weighted percentage of issued capital	0.03%

NSX PRICE HISTORY (CENTS)

12 month high	10.50
12 month low	10.00
Closing price	10.50



NIMBUS INFRASTRUCTURE LIMITED
(Incorporated in the Republic of Namibia)
(Registration Number 2017/0558)
(Date of Registration: 30 June 2017)
Share code: NUSP ISIN: NA000A2DTQ42
("Nimbus" or "the Company")

Directors

Executive

Schalk Leipoldt Van Zyl Erasmus (Namibian)
Stefanus Isaias de Bruin (Namibian)
Morné Romé Mostert (Namibian)

Non-Executive and Independent

Hans-Bruno Gerdes (Namibian)
Brown Yati Ilone Amuenje (Namibian)
Josephine Naango Ndakulilwa Shikongo (Namibian)
Jaco Esterhuysen (South African)
Christoph Oliver Stork (German)
Stuart Hilton Birch (South African)

NOTICE OF ANNUAL GENERAL MEETING OF NIMBUS SHAREHOLDERS

Notice is hereby given that the Annual General Meeting of Nimbus shareholders ("General Meeting") will be held at 45 Nelson Mandela Avenue, Windhoek, Namibia at 10:00 on Friday, 27 July 2018.

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. CONFIRMATION OF THE MINUTES OF THE GENERAL MEETING HELD ON 17 APRIL 2018

4. REPORT OF THE CHAIRMAN OF NIMBUS INFRASTRUCTURE LIMITED

5. ORDINARY RESOLUTION NUMBER 1: INTEGRATED ANNUAL REPORT

"RESOLVED AS AN ORDINARY RESOLUTION that, the Integrated Annual Report for the Company for the period ended 28 February 2018, including all the reports and the annual financial statements, be adopted."

6. ORDINARY RESOLUTION NUMBER 2: UNISSUED SHARES

"RESOLVED AS AN ORDINARY RESOLUTION that, the authorised, but unissued ordinary share capital of the Company be and are hereby placed under the control of the directors of the Company until the next Annual General Meeting, who are authorised to allot, issue and otherwise dispose of such shares at their discretion, subject at all times to the provisions of the Companies Act, 2004 (Act 28 of 2004), as amended, the Company's Articles of Association and the Listing Requirements of the NSX."

7. ORDINARY RESOLUTION NUMBER 3: APPOINTMENT OF AUDITORS

"RESOLVED AS AN ORDINARY RESOLUTION that, it be confirmed that PricewaterhouseCoopers ("PWC") be re-appointed as independent auditors to the Company for the ensuing year and that the Risk, Audit and Compliance Committee be authorised to agree their remuneration."

8. ORDINARY RESOLUTION NUMBER 4: BOARD COMPOSITION

"RESOLVED AS AN ORDINARY RESOLUTION that, the appointment of any new directors and the re-election of any existing directors in accordance with the Articles of Association are hereby ratified."

Motions for ratification will be moved individually.

The appointment of Jaco Esterhuysen as new director is hereby ratified.

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, Hans-Bruno Gerdes and Christoph Stork retire by rotation, but being eligible, offer themselves for re-election. Abridged curricula vitae of these directors are available on pages 16 to 20 of this Integrated Annual Report.

9. ORDINARY RESOLUTION NUMBER 5: DECLARATION OF DIVIDENDS

"RESOLVED AS AN ORDINARY RESOLUTION that, no dividends are declared for the eight-month period ended 28 February 2018."

10. ORDINARY RESOLUTION NUMBER 6: 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."

11. NON-BINDING ADVISORY VOTE NUMBER 1: NON-EXECUTIVE DIRECTORS' REMUNERATION FOR THE PERIOD ENDED 28 FEBRUARY 2018

"RESOLVED AS A NON-BINDING ADVISORY VOTE that, the actual remuneration of the non-executive directors for the financial period ended 28 February 2018 as set out on page 47 of the Integrated Annual Report of which this notice of the general meeting forms part is hereby ratified."

12. NON-BINDING ADVISORY VOTE NUMBER 2: NON-EXECUTIVE DIRECTORS' REMUNERATION FOR THE YEAR ENDED 28 FEBRUARY 2019

"RESOLVED AS A NON-BINDING ADVISORY VOTE that, in accordance with section 304 of the Company Act and the Articles of Association of the Company, fees to be paid by the Company to the non-executive directors for their services as directors be and are hereby approved as follows:

SCHEDULE OF DIRECTORS' FEES PAYABLE PER INDIVIDUAL PER MEETING:

	Number of members	Fee per member N\$ 2018	Fee per member N\$ 2019	Increase %
<u>Board</u>				
Chairperson	1	32 500	32 500	-
Member	5	27 500	27 500	-
<u>Risk and Audit Committee</u>				
Chairperson	1	15 000	15 000	-
Member	3	12 000	12 000	-
<u>Investment Committee</u>				
Chairperson	1	15 000	15 000	-
Member	3	12 000	12 000	-
<u>Remuneration and Nomination Committee</u>				
Chairperson	1	15 000	15 000	-
Member	2	12 000	12 000	-

12. NON-BINDING ADVISORY VOTE NUMBER 2: NON-EXECUTIVE DIRECTORS' REMUNERATION FOR THE YEAR ENDED 28 FEBRUARY 2019 (continued)

The remuneration policy is tabled to shareholders for a non-binding advisory vote at the Annual General Meeting to enable the shareholders to express their views on the remuneration policies adopted and on their implementation.

Non-executive directors' fees are structured as follows:

- Director sitting fees are paid per meeting

13. 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. A shareholder entitled to attend, and vote is entitled to appoint a proxy to attend, speak and on poll vote in his/her stead, and such proxy need not also be a shareholder of the Company.
2. The Proxy Form must be deposited at the registered office of the Company not less than 48 (FORTY-EIGHT) hours before the time of holding the meeting.
3. For a special resolution to be approved by Nimbus shareholders, it must be supported by at least 75% of the voting rights exercised on the resolution. For an ordinary resolution to be approved by Nimbus shareholders, it must be supported by more than 50% of the voting rights exercised on the resolution.

SIGNED AT WINDHOEK, NAMIBIA, ON 29 JUNE 2018 ON BEHALF OF THE BOARD.

By order of the Board

*Registered Office
1 Charles Cathral Street
Windhoek
Namibia*



NIMBUS INFRASTRUCTURE LIMITED
(Incorporated in the Republic of Namibia)
(Registration Number 2017/0558)
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Share code: NUSP ISIN: NA000A2DTQ42
("Nimbus" 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 holder of _____ Nimbus Infrastructure Limited shares,
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:

	FOR	AGAINST	ABSTAIN
Ordinary Resolution number 1 - To adopt the Integrated Annual Report			
Ordinary Resolution number 2 - Placing of unissued shares under the control of directors			
Ordinary Resolution number 3 – Appointment of auditors			
Ordinary Resolution number 4 – Board composition			
- Appointment of Jaco Esterhuysen			
- Re-election of Hans-Bruno Gerdes			
- Re-election of Christoph Stork			
Ordinary Resolution number 5 – Declaration of dividends			
Ordinary Resolution number 6 - Implementation of resolutions			
Non-binding advisory vote number 1 - To ratify non-executive directors' actual remuneration for the period ending February 2018			
Non-binding advisory vote number 2 - To approve non-executive directors' remuneration for the year ending 28 February 2019			

(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

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 Nimbus shareholders. Nimbus 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.

Registered Office
1 Charles Cathral Street
Windhoek
Namibia

CORPORATE INFORMATION

as at date of this report

Company registration number:
2017/0558
Web. <https://nimbus.africa>
Share code: NUSP
ISIN: NA000A2DTQ42

Registered office

1 Charles Cathral Street
Windhoek
Namibia
P.O. Box 81588
Olympia
Windhoek, Namibia

Company Secretary

Cronjé Secretarial Services (Pty) Ltd
1 Charles Cathral Street
Windhoek
Namibia
P.O. Box 81588
Olympia
Windhoek, Namibia
Tel: +264 813198200
E-mail: cronje@nimbus.africa

Chief executive officer

Schalk Erasmus
Tel. +264 83 300 1000
E-mail: schalk@nimbus.africa

Chief financial officer

Stefan de Bruin
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E-mail: stefan@nimbus.africa

Chief investment officer

Romé Mostert
Tel. +264-855-51-3649
E-mail: rome@nimbus.africa

Manager

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<http://www.paratus.africa>

Transfer secretaries

Transfer Secretaries (Proprietary)
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(entrance in Burg Street opposite 2A
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Windhoek
P O Box 2401
Windhoek, Namibia
Tel: +264 (61) 227647
E-mail: Alexandreah@nsx.com.na

Auditors and Reporting

Accountant

PricewaterhouseCoopers (Chartered
Accountants (Namibia))
Registered Accountants and Auditors
344 Independence Avenue
Windhoek
Namibia
P O Box 1571
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Tel: +264 (61) 284 1000

Corporate / Transaction

Advisor

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Namibia
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Windhoek, Namibia
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Cell: +264 (85) 551 3649
E-mail: rowland@cirrus.com
E-mail: rome@cirrus.com
www.cirrus.com.na

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Windhoek, Namibia

First National Bank Namibia
FNB Windhoek Parkside Head Office
130 Independence Avenue c/o Fidel
Castro.
Windhoek
P O Box 195
Windhoek, Namibia

Financial Consultant

PSG Wealth Management (Namibia)
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