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”)

THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

The definitions and interpretations commencing on page 10 of this Circular apply, *mutatis mutandis*, throughout this Circular including this cover page.

Shareholders are referred to page 17 of this Circular, which sets out the action required of them with regard to the Annual General Meeting, full details of which are set out in this Circular. If you are in any doubt as to the action that you should take, please consult your Broker, banker, legal advisor, accountant or other professional advisor immediately.

CIRCULAR TO NIMBUS SHAREHOLDERS

Regarding:

- the approval of the implementation of the Proposed Transaction as a Category 1 transaction and the acquisition of a Viable Asset in terms of the Listing Requirements for purposes of a listing on the Main Board;
- approving the proposed use and retention of the Residual Capital as envisaged in this Circular in terms of paragraph 4.35(c) of the Listing Requirements; and

and incorporating

- the Notice of General Meeting; and
- a form of proxy in respect of the General Meeting for use by Certificated Shareholders with own-name registration only

Date of issue: 16 November 2017

Copies of this Circular, incorporating the Revised Listing Particulars, are available in English only and may, from 16 November 2017 until 08 December 2017 (both days inclusive), be obtained from the registered office of Nimbus at the address set out in the “Corporate Information” section of this Circular. A copy of this Circular will also be available on the Nimbus website (nimbus.africa).

Corporate/Transaction Advisors	Auditors and Independent Reporting Accountant to Nimbus	Legal Counsel to Nimbus
CIRRUS	pwc	CRONJÉ & CO
Independent Expert	**Sponsor**	**Auditors and Independent Reporting Accountant to Paratus**
EY	PSG	BDO

Corporate Information

NIMBUS INFRASTRUCTURE LIMITED	
Auditors and Reporting Accountants to Nimbus PricewaterhouseCoopers (Chartered Accountants (Namibia)) Registered Accountants and Auditors 344 Independence Avenue Windhoek Namibia (P O Box 1571, Windhoek, Namibia) Tel: +264 (61) 284 1000	**Company Secretary and Registered Address of Nimbus** Cronjé Secretarial Services CC 1 Charles Cathral Street Windhoek Namibia (P.O. Box 81588, Olympia, Windhoek) Tel: +264 813198200 E-mail: cronje@nimbus.africa
Corporate / Transaction Advisors Cirrus Capital 45 Nelson Mandela Avenue Windhoek Namibia (P O Box 81009, Windhoek, Namibia) Cell: +264 (81) 675 6401 Cell: +264 (85) 551 3649 E-mail: rowland@cirrus.com E-mail: rome@cirrus.com www.cirrus.com.na	**Transfer Secretaries** Transfer Secretaries (Pty) Ltd 4 Robert Mugabe Avenue Windhoek Namibia (PO Box 2401, Windhoek, Namibia) Tel: +264 (61) 227647 E-mail: Alexandreah@nsx.com.na
Legal counsel to Nimbus Cronjé & Co 1 Charles Cathral Street Windhoek Namibia (P.O. Box 81588, Olympia, Windhoek) Tel: +264 (61) 247435/7 E-mail: info@cronjelaw.com www.cronjelaw.com	**Sponsor** PSG Wealth Management (Namibia) (Pty) Ltd 1st Floor PSG Building 5 Conradie Street Windhoek Tel: +264 (61) 378900 E-mail: info@psg.com.na https://www.psg.com.zna Member of the NSX
Auditors and Reporting Accountants to Paratus BDO Namibia Registered Accountants and Auditors 61 Bismarck Street (P O Box 2184, Windhoek, Namibia) Tel: +264 61 224125	**Registered Address of Paratus** Paratus Telecommunications (Proprietary) Limited 106 Nickel Street, Prosperita, Windhoek, Namibia (P O Box 90140, Windhoek, Namibia) Tel: +264 83 300 1000
Independent Expert Ernst & Young Advisory Services (Pty) Ltd cnr Otto Nitzche and Maritz Street Windhoek Namibia (P O Box 1857, Windhoek, Namibia) Tel: +264 61 289 1100	

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I. FORWARD-LOOKING STATEMENT DISCLAIMER

1.1. The definitions and interpretations set out on page 10 of this Circular apply to this forward-looking statement disclaimer.

1.2. This Circular contains statements about Nimbus that are or may be forward-looking statements. All statements other than statements of historical fact are, or may be deemed to be, forward-looking statements. These forward-looking statements are not based on historical facts, but rather reflect current expectations concerning future results and events and generally may be identified by the use of forward-looking words or phrases such as “believe”, “aim”, “expect”, “anticipate”, “intend”, “foresee”, “forecast”, “likely”, “should”, “planned”, “may”, “estimated”, “potential” or similar words and phrases.

1.3. By their nature, forward-looking statements involve risks and uncertainties because they relate to events and depend on circumstances that may or may not occur in the future. Nimbus cautions that forward-looking statements are not guarantees of future performance. Actual results, financial and operating conditions, liquidity and the developments within the industry in which Nimbus operates may differ materially from those made in, or suggested by, the forward-looking statements contained in this Circular.

1.4. All these forward-looking statements are based on estimates and assumptions made by Nimbus, as communicated in publicly available documents by Nimbus, all of which estimates and assumptions, although Nimbus believes them to be reasonable, are inherently uncertain. Such estimates, assumptions or statements may not eventuate. Factors which may cause the actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied in those statements or assumptions include other matters not yet known to Nimbus or not currently considered material by Nimbus.

1.5. Shareholders should keep in mind that any forward-looking statement made in this Circular or elsewhere is applicable only at the date on which such forward-looking statement is made. New factors that could cause the business of Nimbus not to develop as expected may emerge from time to time and it is not possible to predict all of them. Further, the extent to which any factor or combination of factors may cause actual results to differ materially from those contained in any forward-looking statement are not known. Nimbus has no duty to, and does not intend to, update or revise the forward-looking statements contained in this Circular after the date of this Circular, except as may be required by law.

CONFLICT OF INTERESTS

1.6. There are potential conflicts of interest between the various parties involved in the proposed Acquisition. These were disclosed in the Nimbus Pre-Listing Statement, and further information as to how they have been addressed can be found in paragraph 10of the Circular.

1.6.1. Cirrus Capital is 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.

1.6.2. Cirrus Capital is a minorty shareholder in Nimbus. These voting rights will not be exercised in the approval of the proposed Acquisition.

1.6.3. Cirrus Capital has a representative serving on the Board of Nimbus, as the CIO, as per the terms of the Investment Management Agreement, signed before the listing of Nimbus. This representative will not partake in the Board approval process for the proposed Acquisition.

1.6.4. 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.

1.6.5. Paratus is the target of the proposed Acquisition.

1.6.6. Paratus is the Manager of Nimbus as per the Management Agreement signed pre-listing of Nimbus.

1.6.7. 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.

1.6.8. 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.

1.6.9. Schalk Leipoldt Van Zyl Erasmus holds a significant shareholding in Nimbus on behalf of Paratus, as their nominee. These voting rights will not be exercised in the approval of the proposed Acquisition.

1.6.10. 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 this Circular. These voting rights will not be exercised in the approval of the proposed Acquisition.

II. SALIENT DATES AND TIMES

The definitions and interpretations set out on page 10 of this Circular apply to this salient dates and times section.

Record date to determine which Shareholders are eligible to receive the Circular:	16 November 2017
Circular containing notice of General Meeting and form of proxy sent to Shareholders and announced on NENS on:	16 November 2017
Last day to trade in order to be eligible to vote at the General Meeting:	24 November 2017
Record date to be eligible to vote at the General Meeting	01 December 2017
Last day to lodge forms of proxies in respect of the General Meeting by 10:00 on:	06 December 2017
General meeting of Nimbus Shareholders to be held at 10:00 on:	08 December 2017
Results of the General Meeting released on NENS on:	12 December 2017

Notes:

1. All of the above dates and times are subject to change. Any changes made will be notified to Shareholders by release on NENS.
2. Shareholders should note that settlement of transactions takes place 5 (five) Business Days after such transaction. Therefore, persons who acquire Shares after the last day to trade as detailed in the table above, will not be able to vote thereat.
3. A Shareholder may submit the form of proxy not less than 48 hours before the commencement of the General Meeting (or any adjournment of the General Meeting).
4. If the General Meeting is adjourned or postponed, forms of proxy submitted for the initial General Meeting will remain valid in respect of any such adjournment or postponement. All times given in this Circular are local times in Namibia.

III. DEFINITIONS AND INTERPRETATIONS

In this Circular, annexures and attachments hereto, unless the context indicates otherwise, references to the singular include the plural and *vice versa*, words denoting one gender include the other, expressions denoting natural persons include juristic persons and associations of persons and *vice versa*, and words in the first column hereunder have the meanings stated opposite them in the second column, as follows:

TERMS	CORRESPONDING MEANINGS
"Acquisition"	the proposed acquisition by Nimbus, of an effective see-through economic interest of 26.5% (twenty six point five percent) in Paratus, which will be implemented in the manner set out in paragraph 2 of this Circular;
"Acquisition Agreements"	the agreement entered into between Nimbus and holders of the issued shares in Paratus, subject to the Conditions Precedent being fulfilled, in terms whereof Nimbus will acquire Paratus Shares and in terms whereof Paratus Shares are to be allotted to Nimbus, as more fully set out paragraph 2 of this Circular;
"Acquisition Consideration"	the amount set out in paragraph 2 of this Circular, which shall be paid to Paratus and the current Paratus shareholders in respect of the Acquisition;
"Act" or "Companies Act"	the Companies Act No 28 of 2004, as amended;
"Available Cash"	the cash available to Paratus from time to time to pay to its shareholders in respect of distributions on Paratus Shares and payment of loan claims which any Paratus shareholder has against Paratus;
"AOA"	the Articles of Association of Nimbus in force as at the date of this Circular;
"Attorneys"	Cronjé & Co. of 01 Charles Cathral Street, Olympia, Windhoek.
"BDO"	BDO Chartered Accountants (Namibia) Registered Accountants and Auditors, the reporting accountants and auditors in respect of this Circular, details are set out on page 2. (*Corporate Information*);

"Board" or "Directors" or "Board of Directors"	the board of directors of Nimbus at the date of this Circular whose details are set out on page 18 of this Circular;
"BoFiNet"	Botswana Fibre Networks (Proprietary) Limited, a Botswana Government owned legal entity, duly registered under the laws of Botswana with registration number CO 2012/12673 and having its principal place of business at Plot 2nd Floor Zambezi Towers, Gaborone Central Business District;
"Business Day"	Any day other than a Saturday, Sunday or an officially recognized public holiday in Namibia in terms of the Public Holidays Act 26 of 1990;
"Circular"	this document distributed to Shareholders and dated 16 November 2017, containing the circular to Shareholders, annexures, the Notice of General Meeting, a form of proxy and Revised Listing Particulars;
"Circular Record Date"	the date upon which Shareholders must be registered in the Register in order to be eligible to receive a copy of this Circular;
"Cirrus" or "Cirrus Capital"	Adessus Investments (Proprietary) Limited trading under the name and style of Cirrus Capital, a private company with limited liability, duly incorporated in terms of the laws of the Republic of Namibia, Registration Number 2015/1377;
"CPC"	a special purpose acquisition company as envisaged in the Listing Requirements, being a special purpose vehicle which is established to facilitate the primary capital raising process to enable the acquisition of Viable Assets in pursuit of a listing on the NSX;
"the Common Monetary Area"	the Republics of Namibia and South Africa and the Kingdoms of Lesotho and Swaziland;
"Conditions Precedent"	the conditions precedent to the Acquisition Agreements set out in paragraph 2.4 of this Circular;
"Completion"	with reference to the acquisition of a Viable Asset by Nimbus, when such an acquisition has become unconditional and the assets have been transferred on to the name of Nimbus and "Complete" and "Completed" shall be construed accordingly;
"CRAN"	the Communications Regulatory Authority of Namibia, established by

	the Namibian Communication Act No. 8 of 2009;
"DBN"	the Development Bank of Namibia Limited a public company duly incorporated in accordance with the laws of Namibia, Registration Number: 2003/189;
"Dense Wavelength Division Multiplexing" or "DWDM"	a fiber optic transmission technique that employs light wavelengths to transmit date parallel-by-bit or serial by character;
"DD Investigation"	the due diligence investigation which Nimbus or its representatives is entitled to undertake in relation to the affairs of Paratus in terms of the Acquisition Agreements;

"Documents of Title"	means the –
	- original share certificates in respect of the 8% shareholding acquired in Paratus from Cuvelai Telecommunications (Pty) Ltd;
	- undated share transfer forms in respect of the 8% shareholding acquired in Paratus from Cuvelai Telecommunications (Pty) Ltd duly completed by the registered holders thereof and indicating Nimbus as the transferee;
	- certified copies of resolutions of directors of Paratus;
	    - approving the transfer of the 8% shareholding acquired in Paratus from Cuvelai Telecommunications (Pty) Ltd pursuant to this Agreement;
	    - noting the cession of the proportional claims of an 8% shareholding acquired in Paratus from Cuvelai Telecommunications (Pty) Ltd to Nimbus; and
	    - approving the allotment of ordinary shares by Paratus to Nimbus to bring the effective shareholding in Paratus by Nimbus to 26.5%;
	    - certified copies of a resolution of the shareholders of Paratus approving the allotment of ordinary shares by Paratus to Nimbus to bring the effective shareholding in Paratus by Nimbus to 26.5%;
	- certified copies of a resolution approved by all shareholders of

	the Paratus approving the transaction contemplated in the Sale and Subscription Agreement; - Certified copies of the Title Deeds of the properties held by subsidiaries of Paratus; - A certified copy of the minute book of the meetings of the directors of Paratus containing the minutes of all meetings of the directors of Paratus; - A certified copy of the of the minute book of the meetings of the shareholders of Paratus containing the minutes of all meeting of the shareholders of Paratus;
“Gbps”	means billions of bits per second and is a measure of bandwidth on a digital data transmission medium such as optical fiber;
“General Meeting”	the General Meeting of Nimbus Shareholders to be held at 10:00 on 06 December 2017 at 45 Nelson Mandela Avenue, Windhoek, Namibia convened in terms of the Notice of General Meeting;
“General Meeting Record Date”	the date upon which Shareholders must be registered in the Register in order to be eligible to attend and vote at the General Meeting;
“ICT”	Information and Communication Technology;
“IFRS”	International Financial Reporting Standards as developed by the International Accounting Standards Board;
“Investment Agreement”	the agreement entered into between Cirrus Capital and the Company, the salient features of which is contained in paragraph 8.2;
“Investment Manager”	Cirrus Capital, as appointed and in terms of the Investment Agreement;
“Investment Committee”	a committee of the Board with the task of evaluating recommendations from the Investment Manager, consisting of Brown Yati Ilone Amuenje (Namibian), Josephine Naango Ndakulilwa Shikongo (Namibian), Christoph Oliver Stork (German) and Stuart Hilton Birch (South African);
“IRS”	Indefeasible Right of Supply;
“IRU”	Indefeasible Right of Use;
“Listing”	the listing of Nimbus on the NSX as a CPC and the concurrent private placement, whereby it raised an amount of N$ 102,884,000.00 (one

	hundred and two million eigt hundred and eighty four thousand Namibia Dollar);
"Listing Date"	the date upon which the Nimbus' Shares were listed on the NSX, being 06 October 2017;
"the Listing Requirements"	the Listing Requirements of the NSX, as amended from time to time by the NSX;
"MAC Event"	a material adverse change event, being any event which: - occurs after the signature date, but before the day following the effective date, of the Acquisition Agreements; and - causes a material adverse effect on the cash-flows attributable to Paratus and/or assumptions underpinning the financial model agreed between the parties to the Acquisition Agreements in relation to the consideration payable therefore, it being agreed that no event or effect shall be regarded as materially adverse unless: - it results in an aggregate reduction of at least 5% (five percent) in the total aggregate future cash-flows attributable to Paratus; and/or - it results in an aggregate reduction of at least 5% (five percent) in the net asset value of Paratus;
"Management Agreement"	the agreement entered into between Paratus and Nimbus in terms of which Paratus provides certain services to Nimbus;
"Manager"	Paratus, as appointed and in terms of the Management Agreement;
"NENS"	the Stock Exchange News Service, the news service operated by the NSX;
"Namibia"	the Republic of Namibia;
"Namibia Dollar" or "N$"	Namibia Dollar, the currency of Namibia;
"Notice of General Meeting"	the notice of the General Meeting attached to and forming part of this Circular;
"Nimbus" or "the Company"	Nimbus Infrastructure Limited, a public company duly incorporated in accordance with the laws of Namibia, Registration Number: 2017/0558 and which has no subsidiaries as at the date of this Circular;

"the NSX"	the Namibian Stock Exchange, which is licensed as an exchange in terms of the Stock Exchange Control Act 1 of 1985, as amended;
"Paratus" or "Paratus Namibia"	Paratus Telecommunications (Proprietary) Limited, a private company with limited liability, duly incorporated in terms of the laws of the Republic of Namibia, Registration Number 2007/0100;
"Paratus Board"	the board of directors of Paratus;
"Paratus Group"	Paratus Group Holdings Limited registration number (096530 C2/GBL) a limited liability private company duly incorporated in accordance with the Law of Mauritius, and its subsidiaries;
"Paratus Shares"	ordinary shares with a par value of N$5.00 each in the authorised and issued share capital of Paratus constituting no less than 26.5% (twenty six point five percent) of the issued shares in Paratus;
"Permissible Adjustment Event"	the occurrence of a MAC Event; or Nimbus requiring an adjustment to the consideration paid for the allotment of shares pursuant to the results of the DD Investigation;
"Permissible Expenses"	expenses that have been expressly stated in paragraph 10 of the Pre-Listing Statement). The permissible expenses may only be released by the escrow agent from the funds held in escrow to the Company in order to allow the Company to settle such expense;
"Pre-Listing Statement"	the Nimbus Pre-Listing Statement issued on 25 September 2017;
"PwC"	PricewaterhouseCoopers Chartered Accountants (Namibia) Registered Accountants and Auditors, the reporting accountants and auditors in respect of this Circular, details are set out on page 3. (*Corporate Information*);
"Residual Capital"	the residual amount of approximately N$2,700,000.00 of the capital raised on Listing that will not be utilised for the Acquisition;
"Register"	the register of certificated Shareholders maintained by the Transfer Secretaries on behalf of Nimbus in terms of the Companies Act;
"Shareholders" or Nimbus Shareholders"	Holders of Shares;
"Shares" or "Nimbus Shares"	ordinary shares with a par value of N$0.01 each in the authorised and issued share capital of Nimbus;

“Shareholders Agreement”	the agreement entered into between Nimbus and other Paratus shareholders subject to the Conditions Precedent being fulfilled, in terms whereof the relationship between shareholders of Paratus will be governed, as more fully set out in paragraph 2 of this Circular;
“SIRU”	Super Indefeasible Right of Use;
“Special Majority of the Paratus Board”	A resolution of the Paratus board approved by no less than 75% of the members of the Paratus board;
“TKF Line” or “TKF Project” or “TKF”	The Trans-Kalahari Fibre network currently under construction by Paratus that will stretch from Walvis Bay to the WACS Landing Station in Swakopmund to Windhoek via Okahandja and on to Buitepos;
“Transfer Secretaries”	Transfer Secretaries (Proprietary) Limited, a private company incorporated in Namibia, Registration Number 93/713;
“Viable Assets”	an asset that will, on its own, enable Nimbus to qualify for a main board listing pursuant to the NSX listing criteria of the main board; and
“WACS”	the West Africa Cable System, a submarine communications cable linking Namibia with the United Kingdom.

IV. ACTION REQUIRED BY NIMBUS SHAREHOLDERS

Please take careful note of the following provisions regarding the action required by Nimbus' Shareholders.

If you have disposed of your Nimbus Shares (in whole or in part), please forward this Circular to the purchaser of such Nimbus Shares or to the Broker, banker or other agent through which such disposal was effected.

If you are in any doubt as to what action you should take, please consult your Broker, accountant, banker, attorney, accountant or other professional adviser immediately.

You should carefully read through this Circular and decide how you wish to vote on the resolutions to be proposed at the General Meeting.

GENERAL MEETING

Notice of General Meeting

Nimbus' Shareholders are invited to attend the General Meeting, convened in terms of the Notice of General Meeting (which is annexed to and forms part of this Circular), to be held at 45 Nelson Mandela Avenue, Windhoek, Namibia at 10:00 in order to consider, and if deemed fit, approve and adopt the resolutions set out in the Notice of General Meeting forming part of this Circular.

Holders of Certificated Shares

You are entitled to attend, or be represented by proxy, and may vote at the General Meeting. If you are unable to attend the General Meeting, but wish to be represented thereat, you must complete and return the attached form of proxy, in accordance with the instructions contained therein, to be received by the Transfer Secretaries, 4 Robert Mugabe Avenue, Windhoek Namibia (PO Box 2401, Windhoek, Namibia) by no later than 10:00 on Wednesday, 06 December 2017.

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	Non-Executive
Schalk Leipoldt Van Zyl Erasmus (Namibian)	Hans-Bruno Gerdes (Independent Chariman) (Namibian)
Stefanus Isaias de Bruin (Namibian)	Brown Yati Ilone Amuenje (Independent) (Namibian)
Morné Romé Mostert (Namibian)	Josephine Naango Ndakulilwa Shikongo (Independent) (Namibian)
	Christoph Oliver Stork (Independent) (German)
	Stuart Hilton Birch (Independent) (South African)

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1. INTRODUCTION AND PURPOSE OF THIS CIRCULAR

1.1. Nimbus Shareholders are referred to the announcement released on NENS on 16 November 2017 setting out the details of the Acquisition.

1.2. Nimbus is listed as a CPC and is therefore, in terms of the Listing Requirements, required to complete the acquisition of a Viable Asset within 24 (twenty four) months of the Listing Date.

1.3. The proposed Acquisition constitutes a Category 1 transaction in terms of the Listing Requirements.

1.4. The transaction requires approval from Nimbus Shareholders by way of ordinary resolution.

1.5. The proposed Acquisition, if implemented, will constitute the acquisition of Viable Assets by Nimbus and the Completion thereof will result in Nimbus no longer being classified as a CPC and meeting the Main Board entry criteria for a listing on the NSX.

1.6. In respect of the proposed Acquisition, the salient terms of the Acquisition Agreements are set out in paragraph 2 of this Circular; and

1.7. In terms of paragraph 4.35(c) of the Listing Requirements, Nimbus Shareholders are required to approve the use and retention of the Residual Capital by way of an ordinary resolution. The Residual Capital is proposed to be used by Nimbus for working capital purposes.

1.8. The purpose of this Circular is to:

1.8.1. provide Shareholders with the requisite information regarding the proposed Acquisition and the use of the Residual Capital to enable them to make an informed decision in respect of the resolutions set out in the Notice of the General Meeting;

1.8.2. convene the General Meeting in order to consider and, if deemed fit, approve the resolutions set out in the Notice of the General Meeting; and

1.8.3. issue Revised Listing Particulars pursuant to and conditional upon the successful implementation of the Acquisition.

2. DETAILS OF THE ACQUISITION

2.1. Terms of the Acquisition and Consideration

2.1.1. The proposed Acquisition shall consist of the following main components:

In preparation of the proposed acquisition, the following restructuring in Paratus will occur:

2.1.1.1. Removal of non-core trading subsidiary

Paratus is the 100% shareholder of Canocopy (Proprietary) Limited registration number 86/145 (“Canocopy”). In an effort to maximise the effective shareholding that could be acquired in Paratus, it was agreed that Canocopy, not being a core component of the operations of Paratus, will not form part of the proposed Transaction and will therefore be removed as a wholly owned subsidiary of Paratus.

2.1.1.2. Inclusion of property companies as wholly owned subsidiaries

Despite the membership of Easco Properties CC, Registration Number CC/2002/068 and the shareholding of ITN Property Two (Pty) Ltd (“the properties”) not falling under the ownership of Paratus at the time of negotiation of the Acquisition, their corporate structures shared beneficial owners with Paratus. The properties have been integrated into the infrastructure and core activities as turn-key solutions to operating needs of Paratus to the extent that they form a vital infrastructure asset in the operations of Paratus and have therefore have been included as part of the proposed Acquisition to form wholly owned subsidiaries of Paratus.

2.1.1.3. Acquisition of an effective shareholding of 26.5% (twenty six point five percent) in Paratus.

In terms of the Acquisition Agreement, Nimbus will acquire Paratus Shares and claims as follows:

(i) an initial cash payment of N$20,000,000.00 to acquire 8% (eight percent) of the issued share capital in Paratus (prior to the dilution effect caused by the events in (ii) below) from Cuvelai Telecommunications (Pty) Ltd;

(ii) a subscription in the amount of N$75,000,000.00 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 total aggregate consideration is N$95,000,000.00 to obtain an effective shareholding in Paratus of 26.5% (twenty six point five percent). The consideration will be settled from the cash raised through the private placement.

2.1.1.4. Shareholders agreement with minority protection

To govern the relationship between the shareholders of Paratus, a Shareholders Agreement has been entered into as part of the proposed Acquisition. The following minority protections have been provided for to cater for the interests of Nimbus in Paratus:

2.1.1.4.1. Nimbus will have the right to elect 2 (two) non-executive directors to the board of Paratus;

2.1.1.4.2. The number of directors serving on the board of Paratus will be limited to 7 (seven);

2.1.1.4.3. Nimbus shall have a proportional right of first refusal for Paratus and subsidiary shares;

2.1.1.4.4. Paratus shall adopt a formalised Corporate Governance structure which is compliant with the Namcode;

2.1.1.4.5. Paratus shall issue IFRS compliant Annual Financial Statements no later than 3 months after year end;

2.1.1.4.6. Paratus shall appoint the same auditor as Nimbus, which is to be implemented by the commencement of the FY19 annual statutory audits;

2.1.1.4.7. An annual budget must be presented to the Board for approval by a Special Majority of the Paratus Board, which on approval shall be binding on Paratus and its shareholders. The annual budget shall incorporate the following principles:

Solvency requirements

- Debt / Assets ranging between 50% and 75% (for purposes of this ratio, Preference Shares will be deemed to be debt).
- EBITDA interest coverage of two times (for purposes of this ratio, Preference Share dividends will be deemed to be 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 must be proposed, based on capital requirements in the following year, working capital needs and other relevant factors.

Any material deviation from the annual budget, being an amount that is greater than 10% of the budgeted profit before taxation as presented in the latest approved annual budget, or any deviation that should be regard as material because of the nature thereof being influential to the decisions of a user of the financial statements of Paratus, shall be approved by a Special Majority of the Paratus Board.

2.1.1.4.8. Dividends shall be considered for and declared at the first Board meeting after the last day of August and the last day of February each year and apply the principles agreed to in the latest, approved annual budget, adjusted to actual results to the extent available; adopt a consistent, prudent and conservative accounting policy based on sound and generally accepted accounting principles which are IFRS compliant; make provision for the reasonable cash requirements of the Company in respect of its budgeted cash commitments and its commitments in the ordinary course of business; make provision for reasonable reserves as may be necessary to enable the Company to carry out its operations; and make provision for taxation (including deferred taxation). Special dividends may be considered and declared from time to time as deemed appropriate, subject to similar principles being applied.

2.1.1.4.9. A capitalisation and funding policy shall be adopted whereby preference is given to commercial debt funding, but providing for alternatives such as preference share issues, shareholders loans and further issue of ordinary shares;

2.1.1.4.10. Subordination of related party debt;

2.1.1.4.11. Nimbus shall have a veto right with regards to the appointment of a Chief Financial Officer for Paratus, should the current CFO leave the employ of Paratus for any reason whatsoever; and

2.1.1.4.12. The executives of Paratus shall remain in the employ of Paratus for at least 3 years post effective date of the proposed Acquisition.

2.2. Acquisition Details

2.2.1. The Paratus Group

Paratus was founded as the Internet Technologies group in 2003/2004 in Angola. In 2005 the business was launched in Namibia, after a successful network rollout and testing. Over the past decade, the Paratus Group has extended its footprint further into SADC, opening offices in Zambia, Mauritius, South Africa and Botswana. Most recently the Paratus Group also established a new company in Mozambique.

Paratus Telecom has now established itself in the ICT sector, delivering the full spectrum of ICT services ranging from 4G LTE, fiber technology, VSAT, MPLS, voice, hosting, portable products and LAN solutions. As the group has grown, it has become increasingly reliant on its own independent infrastructure, consisting of fiber networks, satellites, licensed wireless access, 4G LTE and data centres.

Apart from officially operating in these seven countries, Paratus is delivering services in more than 20 African Countries, making the group as a pan-African telecommunications operator.

The move into Africa unlocked significant potential in the Paratus Group with collective revenue growing from USD29 million in 2012 to USD65 million in 2017, translating into a compounded annual growth rate of 17.5% over the five-year period. The drive into Africa and what it graphically represents is synonym for what the Paratus Group stands for, being high levels of growth stemming from the fast-paced ICT industry, diversification across multiple African countries and exposure to numerous foreign currencies.

2.2.2. **Paratus Namibia**

Paratus Namibia forms the head office from which the Paratus Group's African operations are primarily overseen and managed, boasting a management team with operational and infrastructure ICT experience across the African continent.

The Paratus Namibia growth profile is representative of the management team's execution and implementation abilities, achieving major successes over the past 10 years, such as obtaining a full ECS/ECNS telecommunications license, International Data Gateway License, independent fiber crossing into South Africa via Velloorsdrif/Onseepkans and an independent fiber crossing into Zambia via Katima Mulilo/Sesheke.

In 2014 Paratus Namibia launched the first privately owned fiber ring in Windhoek which marked a strategic moment in Paratus Namibia's life cycle.A clear new trend was set in their telecommunications revenue, with growth accelerating from 9% in FY14 to 36% in FY15 and 35% in FY16.Paratus Namibia has since completed the installation of fiber rings in Swakopmund and in Walvis Bay.

Paratus Namibia boasts a strong existing client base consisting of more than 2100 clients including various large corporates, with recurring contractual revenues on average representing 85% of Paratus Namibia's revenue, as opposed to 15% in the form of more volatile once-off revenues.

2.2.3. **Acquisition rationale**

2.2.3.1. Exposure to Paratus Namibia Diversification of revenue streams

Paratus has an impressive track record, both in Namibia and across the continent. The company has grown its customer base aggressively, particularly in the corporate space, and is actively expanding into the retail market. They have shown a strong growth profile, with both revenue and profits expanding on a yearly basis.

By obtaining exposure to Paratus Namibia, Nimbus Shareholders have immediate exposure to the current revenue and profits of Paratus, as well as the asset base, which consists of, amongst others, terrestrial an urban infrastructure. Further to this, the company is in the process of constructing the TKF Line from Swakopmund (Walvis Bay) via Windhoek to the Buitepos border with Botswana. The construction from Walvis Bay via Swakopmund and Okahandja to Windhoek is estimated to be completed end of November 2017, with the line from Windhoek to Buitepos, connecting into Botswana estimated to be completed and operational by end of May 2018. Further to the exposure to the current earnings of Paratus, a shareholding in the company also provides the Nimbus Shareholders 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 Shareholders.

A shareholding in Paratus provides Nimbus with a strong base from which to pursue further investments across the country and continent. This Aquisition has a 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. The Board of Nimbus views the proposed Acquisition 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.

2.2.3.2. Alignment of interest between the Nimbus Manager and shareholders

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

2.2.3.3. Further capital raising

The investment into Paratus 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.

2.2.3.4. Main board listing

The Acquisition 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 full-fledged listed company on the NSX mainboard. Further to this, the cash-drag on the Nimbus returns from the capital raised being held in Money Market instruments until an acquisition takes place, will be minimised as the majority of the funds raised will be invested, and generating equity returns, in a relatively short period of time.

2.3. **Effective date and Closing date of the Acquisition**

The effective date of the Sale and Subscription Agreement shall be upon the date of the fulfilment of all the conditions precedent as disclosed in paragraph 2.4.

2.3.1. The closing date of the Sale and Subscription Agreement shall be the 1st (first) Business Day following the day in which the last of the Conditions Precedent is fulfilled or waived (as the case may be).

2.3.1.1. On the closing date the representatives of Nimbus and Paratus shall meet at 10h00 where Paratus shall deliver the Documents of Title to Nimbus, where after payment shall be effected.

2.3.2. The effective date of the Shareholders Agreement shall be on the Closing Date of the Sale and Subscription Agreement.

2.4. **Conditions Precedent**

The Sale of Shares and Subscription Agreement incorporate the Shareholders Agreement as an Annexure thereto, wherefore they will form one indivisible transaction, the one being subject to the other.

2.4.1. **Due diligence**

A comprehensive financial-, legal- and tax due diligence must be completed, the outcome of which must be acceptable to the disinterested members of the Board of Nimbus, acting in their sole discretion.

2.4.2. **Fair and reasonable opinion**

An opinion must be obtained from an independent expert acceptable to the NSX that the terms of the proposed Acquisition of a shareholding in Paratus is fair and reasonable as far as the Shareholders of Nimbus are concerned, as required in terms of paragraph 10.4 read together with Schedule 5 of the Listing Requirements.

2.4.3. **Each current shareholder of Paratus waiving pre-emptive rights**

As more fully disclosed in paragraph 2.2 above, Nimbus intends to acquire an upfront stake of 8% (eight percent) of the issued share capital of Paratus for an amount of N$20,000,000.00 (twenty million Namibia Dollars) and to subscribe for an additional shareholding in Paratus to bring its effective shareholding in Paratus to 26.5% (twenty six point five percent) for a capital contribution in the amount of N$75,000,000.00 (seventy five million Namibia Dollars).

Both the acquisition of shares and the subscription for shares in Paratus will trigger the rights of the current Paratus shareholders to either acquire the shares or to partake equally in the allotment of shares in terms of the subscription.

Therefore, to obtain the effective shareholding in Paratus of 26.5% as agreed, the current shareholders of Paratus waive their pre-emptive rights to participate in the proposed Acquisition.

2.4.4. **Regulatory approval**

2.4.4.1. **CRAN**

Either –

- a written consent must be obtained from CRAN in terms of Section 35

(1) of the Communication Act (Act 8 of 2009) for the proposed Acquisition; or

- a written confirmation must be obtained from CRAN that the proposed Acquisition does not amount to the transfer of control in as is contemplated in Section 35 (1) of the Communication Act (Act 8 of 2009)

2.4.4.2. **Competition Commission**

Either –

- written confirmation must be obtained from the Namibian Competition Commission that the proposed Acquisition does not amount to a merger as is contemplated in chapter 4 of the Competition Act (Act 2 of 2003); or

- the proposed Acquisition (if deemed to be a proposed merger in terms of the Competition Act (Act 2 of 2003)) has been unconditionally approved by the Competition Commission in terms of the Competition Act (Act 2 of 2003) or conditionally approved on terms and conditions, which Nimbus confirms in writing to Paratus to be acceptable to it, which acceptance shall not be unreasonably withheld nor delayed.

2.4.5. **Capital Pool Company approval processes as set out in the Listing Requirements and Nimbus' internal requirements**

2.4.5.1. The proposed Acquisition shall first be presented to the Investment Committee of the Board by the Investment Manager.

2.4.5.2. Upon approval having been granted by the Investment Committee of the Board, the Investment Committee must present the proposed Acquisition to the Board, where it must be approved by the majority of the disinterested members of the Board.

2.4.5.3. Upon the approval having been granted by the Board, the proposed Acquisition shall be presented to the Shareholders to be approved by the majority of Shareholders at a general meeting.

2.4.5.4. Only upon approval by the Shareholders, will funds be released form the escrow account by the Escrow Agent to acquire the Viable Asset.

2.5. **Other significant terms of the Acquisition Agreements**

2.5.1. **Obligation to complete TKF Line**

The Acquisition Agreement includes warranties that Paratus is the rightful owner of the TKF Line and that they will complete the construction of the TKF Line to ultimately connect Walvis Bay with Buitepos, via Swakopmund and Windhoek.

2.5.2. **Warranties and Representations**

The Acquisition Agreement includes the following warranties from Paratus:

2.5.2.1. All licenses and required approvals are in place and up to date;

2.5.2.2. There are no undisclosed liabilities in Paratus; and

2.5.2.3. A confirmation of current shareholding structure of Paratus.

2.6. **Related party categorisation of the Acquisition**

2.6.1. Paratus holds 5% of the issued share capital of Nimbus through Schalk Leipoldt Van Zyl Erasmus as their nominee. Various Paratus' employees also partook in the Private Placement. Paratus has also been appointed by Nimbus as the Manager in terms of the Management Agreement. As per the Management Agreement, Paratus may nominate two executives to the board of Nimbus. These board members, the Chief Executive Officer and Chief Financial Officer of Nimbus, also have interests in Paratus as disclosed fully in paragraph 4.3 (directors interests in transactions).

2.6.2. The Chief Investment Officer of Nimbus has an interest in the proposed Acquisition as disclosed fully in paragraph 4.3 (directors interests in transactions).

2.6.3. Due to the aforementioned, the proposed Acquisition is categorised as a related party transaction and additional disclosures as required by section 10 of the Listing Requirements have been included, as well as a fair and reasonable opinion by an independent expert (see Annexure P below).

3. MAJOR SHAREHOLDERS

3.1. As far as the Directors are aware, as at the date of the Circular the following persons, directly or indirectly, have an interest of 5% (five percent) or more of the Shares in issue:

Name of Shareholder	Number of Shares	% of Shares in Issue
Capricorn Investment Group Limited	3,446,071	33.25%
AF Investments Namibia Equity Fund	1,256,140	12.12%
Old Mutual Life Insurance Company	1,000,000	9.65%
Retirement Fund for Local Authorities in Namibia	575,830	5.56%
Paratus Telecommunications (Pty) Ltd	535,000	5.16%

3.2. There has been no change in the controlling Shareholder nor trading objects of Nimbus from the Listing Date to the Last Practicable Date, and there will be no change in the shareholding in Nimbus as a result of the Acquisition.

4. BOARD

4.1. <u>Directors' interests in securities</u>

The direct and indirect interests of the Directors and their associates in the Share of Nimbus as at the Last Practicable Date, are set out below:

Name of Shareholder	**Direct**	**Indirect**	**Total Number of Shares**	**% of Shares in Issue**
Schalk Leipoldt Van Zyl Erasmus*	5,000	538,500	543,500	5.24%
Stefanus Isaias De Bruin	100,000		100,000	0.96%
Morné Romé Mostert	1	25,000	25,001	0.24%
Stuart Birtch*		5,000	5,000	0.05%
Josephine Naango Ndakulilwa Shikongo	2,500		2,500	0.02%
Total Shareholding	**107,501**	**568,500**	**676,001**	**6.52%**

*Includes Shares held in trusts of which the Directors are discretionary beneficiaries.

4.1.1. The Directors' Shares which are set out in the table above are held in custody by the Attorneys, in accordance with the Custody Agreement.

4.2. <u>Associates' interests in securities</u>

4.2.1. Associates' interest and securities are disclosed in paragraphs 3, 4.1 and 4.2.

4.3. <u>Directors' interests in transactions</u>

The following Directors have interests, whether directly or indirectly, in the proposed Acquisition, as more fully set out below:

4.3.1. **Schalk Leipoldt Van Zyl Erasmus**

Schalk is a significant shareholder as well as an executive member of management (Chief Operating Officer) of Paratus.

Paratus is a significant shareholder of Nimbus, as disclosed in paragraph 4.1 above and performs the duties of Manager, the salient terms of which are disclosed in paragraph 8.1 below.

In the event of Nimbus having successfully invested in Viable Assets, Nimbus and Schalk shall enter into negotiations and agree upon a market related salary for the duties performed by him in future.

4.3.2. **Stefanus Isaias de Bruin**

Stefan is an executive of the management (Chief Financial Officer) of Paratus.

Paratus is a significant shareholder of Nimbus, as disclosed in paragraph 4.1 above and performs the duties of Manager, the salient terms of which are disclosed in paragraph 8.1 below.

In the event of Nimbus having successfully invested in Viable Assets, Nimbus and Stefan shall enter into negotiations and agree upon a market related salary for the duties performed by him in future.

4.3.3. **Morné Romé Mostert**

Romé is a significant shareholder as well as an executive member of Cirrus Capital, the Investment Manager, which forms an intricate part of the proposed Acquisition process. The salient terms of the Investment Agreement are disclosed in paragraph 8.2 below.

Cirrus is an insignificant shareholder of Nimbus, as disclosed in paragraph 4.1.

In the event of Nimbus having successfully invested in Viable Assets, Nimbus and Romé shall enter into negotiations and agree upon a market related salary for any duties performed by him in future.

4.3.4. **Other insignificant interests**

Other directors that hold Shares in Nimbus, whether directly or indirectly, have been disclosed in paragraph 4.1.The shareholdings held by them do not constitute a material interest in Nimbus individually or collectively, nor is it a material portion of either's net wealth.

4.4. **<u>Directors' service contracts and remuneration</u>**

4.4.1. Nimbus will not be paying any direct remuneration to the Executive Directors before the acquisition of a Viable Asset has been successfully completed. 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. Further details regarding the fees payable to the Manager and Investment Manager are disclosed in paragraph 8 (Material Contracts for Nimbus).

4.4.2. 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 4.4.3 below.

4.4.3. The remuneration policy that has been adopted for Director's fees, including those for committees to be paid for the financial year ending 28 February 2018 are set out below, and is as set out in the Pre-Listing Statement:

Anticipated Maximum Remuneration				
	Number of Members	**Fee Per Member (N$)**	**Meetings Per Year**	**Total Cost (N$)**
Board				
Chairman	1	32,500	4	130,000
Member	4	27,500	4	440,000
Total				**570,000**
Risk and Audit Committee				
Chairman	1	15,000	2	30,000
Member	2	12,000	2	48,000
Total				**78,000**
Investment Committee				
Chairman	1	15,000	8	120,000
Member	2	12,000	8	192,000
Total				**312,000**
Grand Total				**960,000**

4.4.3.1. The anticipated Board fees per Director are set out below. These fees exclude the fees for sitting on Committees, as these committees have not yet been constituted. The total maximum fees pertaining to committees have however been defined in the table above.

Full Name	**Remuneration (N$)**
Hans-Bruno Gerdes (Chairman)	130 000
Brown Yati Ilone Amuenje	110 000
Josephine Naango Ndakulilwa Shikongo	110 000
Stuart Hilton Birch	110 000
Christoph Oliver Stork	110 000

5. MATERIAL LOANS OF PARATUS

5.1. Development Bank of Namibia

The DBN has extended financing to Paratus. As at 31 August 2017, an amount of N$111,535,501 is outstanding. The outstanding amount will be repaid in equal monthly instalments over the remainder of the loan term, being 101 months. The loan bears interest at the DBN base rate, currently 10.50%.

The following covenants form part of the loan agreement:

- No dividends shall be paid by Paratus for the duration of the loan, without the consent of the DBN[1]; and
- No further debt shall be incurred by Paratus without the consent of the DBN, which consent shall not unreasonably be withheld.

The loan is secured as follows:

- Unlimited suretyship by Bartholomeus Roelof Jacobus Harmse;
- Unlimited suretyship by Schalk Leipoldt Van Zyl Erasmus;
- Unlimited suretyship by Rolf Peter Konrad Mendelsohn;
- Unlimited suretyship by John Walenga;
- Unlimited suretyship by Canocopy (Pty) Ltd supported by the cession of debtors;
- Unlimited suretyship by ITN Property Two (Pty) Ltd supported by 1st continuing coverage mortgage bond for N$34,000,000.00 over Erf 348, Prosperita, Windhoek; and
- Suretyship for N$9,000,000.00 by Easco Properties CC supported by 1st continuing coverage mortgage bond for N$9,000,000.00 over Erf 232, Prosperita, Windhoek.

[1] A request accordingly has been made by Paratus to waive these covenants. Final approval is pending and expected before the date of the shareholders meeting.

5.2. **Overdraft facilities**

5.2.1. Nedbank Namibia Ltd

On 26 September 2017 Nedbank Namibia Limited ("Nedbank Namibia") extended an overdraft facility of N$10,000,000.00 to be extended to N$15,000,000.00 on 01 February 2018 to Paratus, subject to the following terms:

- The purpose of the facility is to bridge the payments from Botswana Fibre Networks (Pty) Ltd to Paratus in terms of the commercial agreement signed between Botswana Fibre Networks (Pty) Ltd and Paratus during September 2017 (refer to paragraph 9.1 for full disclosure of the terms of the commercial agreement);
- The facility will expire on 15 May 2018;
- The facility will carry interest at the prime rate plus 1% (currently 11.50%);
- The facility is secured by unlimited suretyships in favour of Nedbank Namibia by:
  - Schalk Leipoldt Van Zyl Erasmus;
  - Bartholomeus Roelof Jacobus Harmse;
  - Rolf Peter Konrad Mendelsohn; and
  - by Canocopy (Pty) Ltd Reg. No. 86/145.
- All proceeds from the commercial agreement signed between Botswana Fibre Networks (Pty) Ltd and Paratus will be paid into Paratus' Nedbank Namibia account.

5.2.2. First National Bank of Namibia Ltd

On 03 May 2017 First National Bank of Namibia Limited ("FNB"), amongst other immaterial facilities, confirmed the following overdraft facilities available to Paratus:

- Direct short-term facility of N$10,000,000.00, expiring after 8 months;
- Direct short-term facility of N$20,000,000.00, expiring after 8 months;
- The overdrafts will carry interest at the prime rate (currently 10.50%);
- The overdrafts are subject to the written consent of the DBN having been provided to FNB for the facilities;
- In the event that the ownership of revenue of the Trans Kalahari Fiber be transferred to an entity other than Paratus, the N$20,000,000.00 facility will be settled by the

earlier of the event or 31 December 2017; and

- The overdrafts are secured by:
  - In the name of Paratus Telecommunications (Pty) Ltd Reg. No. 2007/0100:
    - An unlimited suretyship, upon terms and conditions acceptable to FNB, given by Schalk Leipoldt Van Zyl Erasmus in favour of FNB for any and/or all obligations of the Borrower now and/or in future towards FNB;
    - An unlimited suretyship, upon terms and conditions acceptable to FNB, given by Bartholomeus Roelof Jacobus Harmse in favour of FNB for any and/or all obligations of the Borrower now and/or in future towards FNB;
    - An unlimited suretyship, upon terms and conditions acceptable to FNB, given by Rolf Peter Konrad Mendelsohn in favour of FNB for any and/or all obligations of the Borrower now and/or in future towards FNB;
    - An unlimited suretyship, upon term and conditions acceptable to FNB, given by Canocopy (Pty) Ltd Reg. No. 86/145 in favour of FNB for any and/or all obligations of the Borrower now and/or in future towards FNB; and
    - Cession given by the Borrower of any and all rights which the Borrower has towards its debtors from time to time upon terms and conditions acceptable to FNB.
  - In the name of Schalk Leipoldt Van Zyl Erasmus:
    - Deed of Cession and Pledge N$ Unlimited over 3,000 Shares in Paratus Telecommunications (Pty) Ltd Reg. No. 2007/0100.
  - In the name of Bartholomeus Roelof Jacobus Harmse:
    - Deed of Cession and Pledge N$ Unlimited over 3 000 Shares in Paratus Telecommunications (Pty) Ltd Reg. No. 2007/0100.

6. MATERIAL CHANGES

6.1. **Paratus**

6.1.1. The following material changes in the financial or trading positions of Paratus have occurred since the end of its last financial year ended 28 February 2017:

6.1.1.1. Paratus continued its healthy growth trend in the interim;

6.1.1.2. The completion of the Ngoma – Sesheke connection in terms of the agreement with BoFiNet, as disclosed in paragraph 9.2 below, has seen significant revenues being generated and has given Paratus access to transit capacity through Botswana;

6.1.1.3. The conclusion of the agreement with BoFiNet, whereby they are granted transit capacity on the TKF Line, once completed, has fixed significant future revenues and contributed to ensuring sufficient capital for the completion of the TKF Line construction.

6.1.1.4. The combined effect of the agreements with BoFiNet and the potential of the TKF Line, will have a material impact on Paratus' trading position going forward;

6.1.1.5. The completion of the TKF Line will have a significant impact on Paratus' drive to convert its cost of sales into privately owned infrastructure which will contribute to future growth;

6.1.1.6. The properties currently leased by Paratus, from which they operate, have been included as part of the proposed Acquisition; and

6.1.1.7. Canocopy (Pty) Ltd, which does not form part of the core operations of Paratus, has been removed from the proposed Acquisition.

6.1.2. With the exception of the Paratus drive to own and operate key infrastructure, there has been no material changes in the business or trading objects of Paratus within the past five years preceding the date of this Circular.

6.2. **Nimbus**

6.2.1. There have been no material changes in the financial or trading positions of Nimbus since incorporation.

6.2.2. There have been no material changes in the business or trading objects of Nimbus since its incorporation and thus within the past five years preceding the date of this Circular.

7. PROSPECTS

7.1. The proposed Aquisition falls within the Viable Asset criteria for Nimbus. This is to say that is constitutes an investment into an operating company in the ICT sector in sub-Saharan Africa, that is expected to meet the required rate of return as stipulated in section 6.3 of the Nimbus Pre-listing Statement.

7.2. Nimbus has a potential investment pipeline, and with good prospects of raising debt and / or further equity, Nimbus targets the construction of a portfolio of high quality assets over time.

7.3. The proposed Acquisition represents the first acquisition by Nimbus, and as an established company, with a strong and diversified revenue stream, as well as impressive growth prospects, provides a high quality, revenue generating base, from which further transactions can be pursued. Further, the proposed Acquisition provides strategic alignment of interest between Nimbus and Paratus, an imperative given the Management Agreement signed between Nimbus and Paratus.

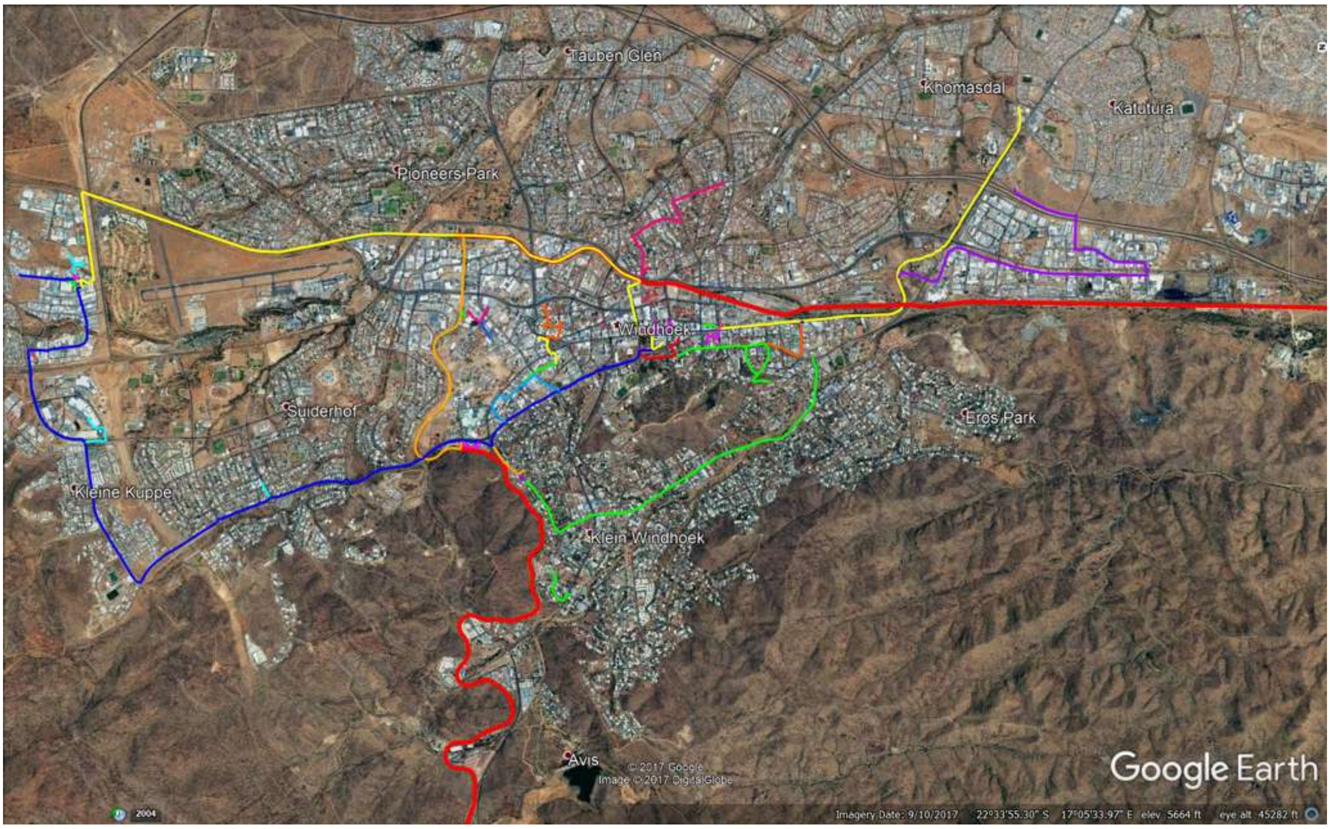
7.4. **Paratus Background**

Paratus Namibia forms the head office from which the Paratus Group's Africa operations are overseen and managed. The local management team has extensive operational and infrastructure experience in the ICT sector across sub-Saharan Africa.

The Paratus Namibia growth profile is representative of the management team's execution and implementation abilities, achieving major successes over the past 10 years, including obtaining a full ECS / ECNS telecommunications license, International Data Gateway License, an independent fiber crossing into South Africa via Velloorsdrif/Onseepkans and an independent fiber crossing into Zambia via Katima Mulilo/Sesheke.

In 2014 Paratus Namibia launched the first privately owned fiber ring in Windhoek, marking a strategic turning point for the company. This investment has driven a structural shift in the company's growth profile. The growth in the Company's profitability stemmed from two factors, being an acceleration of growth in revenue, paired with decreases in cost of sales, as new and existing business was moved onto the company's own infrastructure. As a result, Paratus Namibia's infrastructure roll out has contributed to increased efficiencies and widening operating margins.

The below image illustrates Paratus Namibia's fiber network in Windhoek:



Source: Paratus Telecommunications (Pty) Ltd

Further to the Windhoek fiber ring, Paratus Namibia has also commissioned infrastructure roll outs in Swakopmund and in Walvis Bay, as illustrated in the images below. The infrastructure roll outs in the coastal towns further contribute to Paratus Namibia's service offering and operational efficiencies.

Swakomund

Walvis Bay

Source: Paratus Telecommunications (Pty) Ltd

Concurrent to the infrastructure roll out in the metro areas, Paratus Namibia commissioned the installation of terrestrial infrastructure. Significant terrestrial projects include:

- a fiber line across the Caprivi strip from Ngoma in Botswana to Sesheke in Zambia, completed in August 2017; and
- the Trans Kalahari Fiber line from Walvis Bay through Swakopmund and Windhoek to the Buitepos border post with Botswana, connecting the landlocked countries to the east of Namibia to WACS.
    - The first phase of the TKF Line from Windhoek to Swakopmund is expected to be completed by November 2017;
    - the second phase from Swakopmund to Walvis Bay is expected to be completed by January 2018; and
    - the third and final phase from Windhoek to Buitepos expected to reach completion by April 2018.

Below is a graphical illustration of the TKF Line upon completion:

Source: Paratus Telecommunications (Pty) Ltd

In June 2017, Paratus signed a commercial agreement with BoFiNet, through which BoFiNet purchased a 20-year Dark Fiber Indefeasible Right of Use ("IRU") on the Ngoma-Sesheke fiber line, gaining access to two of the 24 dark fiber pairs contained within the line. Paratus offered a discount to BoFiNet on this transaction, in exchange for transit capacity, equivalent to an STM-64, from Buitepos to Ngoma for the term of the IRU. This capacity provides connectivity between the TKF Line and the Ngoma-Sesheke Line, connecting the WACS cable, from the landing station in Swakopmund, to Zambia using Paratus Namibia's infrastructure and agreements.

In early September 2017, Paratus signed a further commercial agreement with BoFiNet, through which BoFiNet purchased a 20-year Super Indefeasible Right of Use ("SIRU") for 10 DWDM Wavelengths on the TKF line from Swakopmund to Buitepos.

As with the Windhoek fiber ring, the strategic move to install terrestrial infrastructure marks another key turning point for Paratus Namibia, enabling the Company to offer land locked countries, such as Botswana and Zambia, efficient connectivity to submarine cable systems. Further, this infrastructure internalises a significant portion of Paratus Namibia's existing cost of sales.

In summary, Paratus Namibia has established the following strategic fiber infrastructure assets:

- Windhoek fiber ring;
- Swakopmund fiber;
- Walvis Bay fiber;
- Trans Kalahari Fiber line[2];
- Ngoma – Sesheke fiber line; and
- 20-year STM-64 IRU from Buitepos to Ngoma.

7.5. **Revenue**

Paratus Namibia boasts a strong existing client base consisting of more than 2,100 clients, including various large corporates.

Recurring contractual revenues on average represent 85% of Paratus Namibia's revenue, as opposed to approximately 15% from once-off revenues.

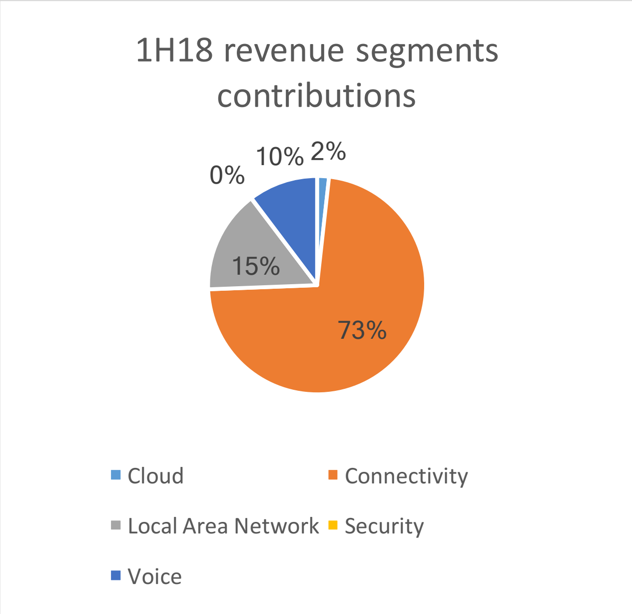
The high quality of Paratus' client base is reflected in its bad debt charges, averaging 62 basis points of revenue over the past 18 months.

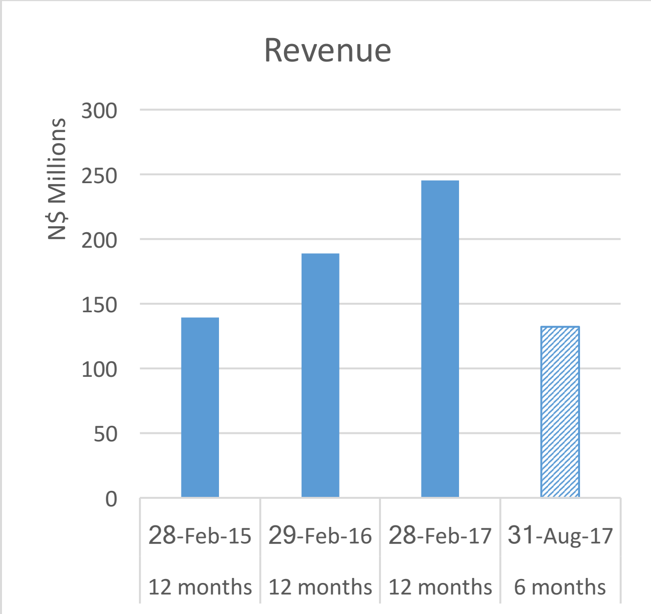
As discussed in section 7.4, a key factor in Paratus' growth has been the roll-out of infrastructure, particularly fiber rings and fiber backhaul. This growth has been the most apparent in the "Connectivity" revenue line, which contributed 73% to Paratus' revenue for the interim period ended 31 August 2017. The "Local Area Network" revenue line represents 15% and the "Voice" revenue line 10% of total revenue. Connectivity sales amongst other offerings include Digicon services, fiber services to businesses, and complete product offerings to users in the form of service level agreements and Wimax. Access to reliable fiber infrastructure underpins the ability of Paratus to roll out and expand these product offerings at sustainable margins.

[2] The TKF Line is still under construction.

Paratus has displayed strong growth trends in revenue, with revenue increasing 35.4% in FY16 and 29.9% in FY17, to N$189 million and N$246 million, respectively. For the interim period ended August 2017, Paratus reported revenue of N$132 million, showing signs of a continuation of this trend.

The 18 months prior to the release of this Circular saw one of the weakest periods of economic growth in the independent history of Namibia, with the Namibia Statistics Agency reporting four of the past five quarters showing the economy contracting. Despite the challenging economic environment, Paratus continued to grow sales over this 18-month period. Paratus has realised growth in its average monthly revenue from N$11.6 million in FY15 to N$15.7 million in FY16 to N$20.5 million in FY17 to N$22.0 million in 1H18.



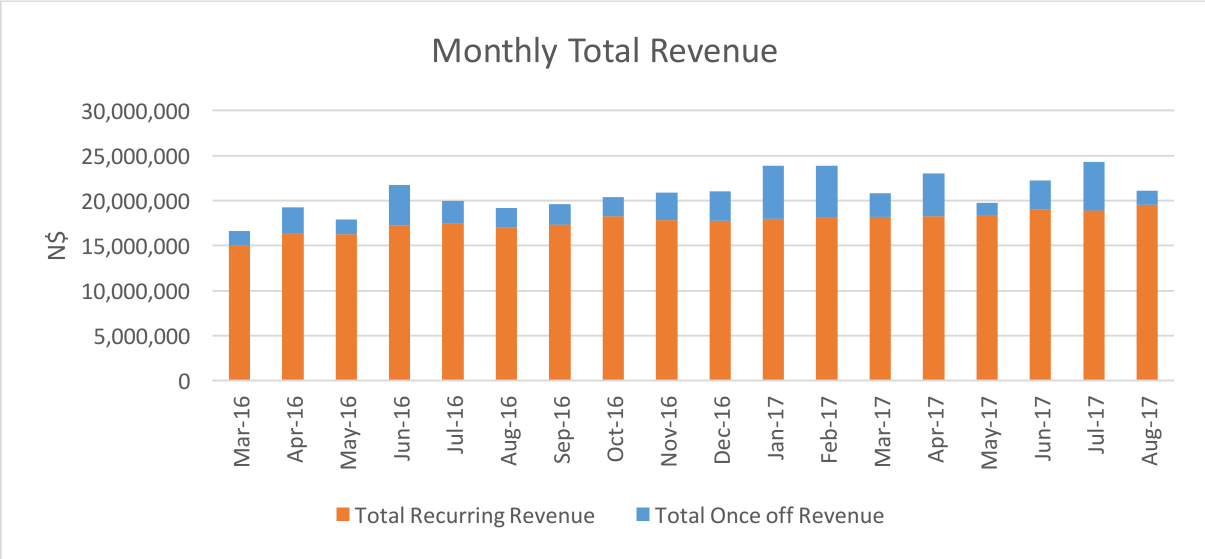


Source: Paratus Telecommunications (Pty) Ltd Annual Financial Statements and Interim Financial Report

7.5.1. <u>Recurring revenue</u>

On average, 85% of Paratus' revenue is in the form of recurring contractual revenues. Paratus has grown its recurring revenues consistently over the past 18 months, adding on average N$230,000 per month in new business to its recurring revenue lines.

The resilience in the Company's recurring revenue is evidence of the sector's growth potential and defensive attributes.



Source: Paratus Telecommunications (Pty) Ltd

7.5.2. **<u>Once off revenue</u>**

Over the past 18 months, once off revenues averaged N$3.0 million per month, fluctuating between N$1.3 million and N$5.9 million per month.

7.5.3. **<u>Trans Kalahari Fiber revenue potential</u>**

7.5.3.1. **<u>Capacity</u>**

The fiber being installed from Walvis Bay via Swakopmund and Windhoek to Buitepos, has the following specifications:

- 48 cores (48 single fiber cables), paired into:
    - 24 pairs (fibers are paired into a receiving- and a transmitting strand), offering:
        - 40 x 10Gbps wavelengths/lambdas per pair.

On the same passive infrastructure (the fiber cable), the active components can be upgraded to provide 80 x 10Gbps or 40 x 100Gbps wavelengths, increasing the usable capacity of the line.

Each wavelength (of which there are 960 on the current active infrastructure) before any upgrades, is an STM-64 equivalent.

These STM-64 equivalents can be further split in multiples of four (or otherwise), as follows:

Connection	Speed	TKF Capacity
STM-1	155 Mbps	61,440
STM-4	622 Mbps	15,360
STM-16	2.5 Gbps	3,840
STM-64	10.0 Gbps	960

To place the relative capacity of the TKF Line into context, Namibia currently utilises the equivalent of approximately three STM-64 connections.

7.5.3.2. **Pricing**

Illustrated in the table below is Telecom Namibia's monthly transit pricing from the landing station in Swakopmund to various border points, in Namibia Dollars, for STM-1, STM-4, STM-16 and STM-64, provided by Telecom Namibia as is published in the Government Gazette. These are similar routes to those that the Trans Kalahari Fiber line will service.

From - To	Provider	Protection	STM-1 (N$)	STM-4 (N$)	STM-16 (N$)	STM-64 (N$)
Swakopmund - Buitepos	Telecom Namibia	Unprotected	192 627.52	443 043.29	1 018 999.56	2 139 899.07
Swakopmund - Katima Mulilo	Telecom Namibia	Unprotected	242 499.48	557 748.81	1 282 822.27	2 693 926.77
Swakopmund - Ngoma	Telecom Namibia	Unprotected	250 309.61	575 712.10	1 324 137.83	2 780 689.44
Swakopmund - Zambian Border	Telecom Namibia	Unprotected	246 254.60	566 385.59	1 302 686.86	2 735 642.41

Source: Government Gazette – General Notices by Communications Regulatory Authority of Namibia

7.5.3.3. **Target market**

The Paratus Group's African operations[3] currently source most of their bandwidth from South Africa via Zimbabwe or Botswana, rather than through Namibia. The reason for this is that current transit prices through Namibia are many multiples more expensive than similar capacity routed through South Africa, Botswana and Zimbabwe. The Trans Kalahari Fiber line will enable the Paratus Group to source its bandwidth from Namibia via Botswana. Currently, the Paratus Zambia operations utilises 25 STM-1 connections, which capacity does not transit Namibia due to the relatively high transit costs through Namibia.

Similarly, there exists potential to provide bandwidth capacity to neighbouring countries and operators via the TKF line. The first such agreement was signed between Paratus and BoFiNet in September 2017, as discussed in section 7.4. As an indication as to the revenue generating capacity of the TKF line, the purchase of bandwidth capacity in the form of a Super Indefeasible Right of Use for ten 10Gbps (10x10Gbps) wavelengths for 20 years, was sold for a total cost of N$87.9 million. This bandwidth sale represents approximately 1% of the capacity available on the current active components on the TKF line (which active components can be upgraded further to increase bandwidth available).

Further to the transit market, Paratus will also be positioned to target corporations within Namibia that require direct connectivity (banks and similar) between hubs, as well as direct connections across national borders.

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[3] Excluding Paratus Namibia and Angolan operations.

7.6. **Cost of sales**

Paratus' cost of sales has increased over the past 2 years, in support of the growth in revenue. Cost of sales increased 43.6% in FY16 and 16.3% in FY17.

However, due to revenue growth exceeding that of cost of sales, margins have been seen to widen. Cost of sales as a percentage of revenue have decreased from 61.5% in FY16 to 55.1% in FY17 and to 48.3% in 1H18.

	FY16	**FY17**	**1H18**
% Growth in Revenue	35.4%	29.9%	N/A
% Growth in Cost of Sales	43.6%	16.3%	N/A
Cost of Sales / Revenue	61.5%	55.1%	48.3%

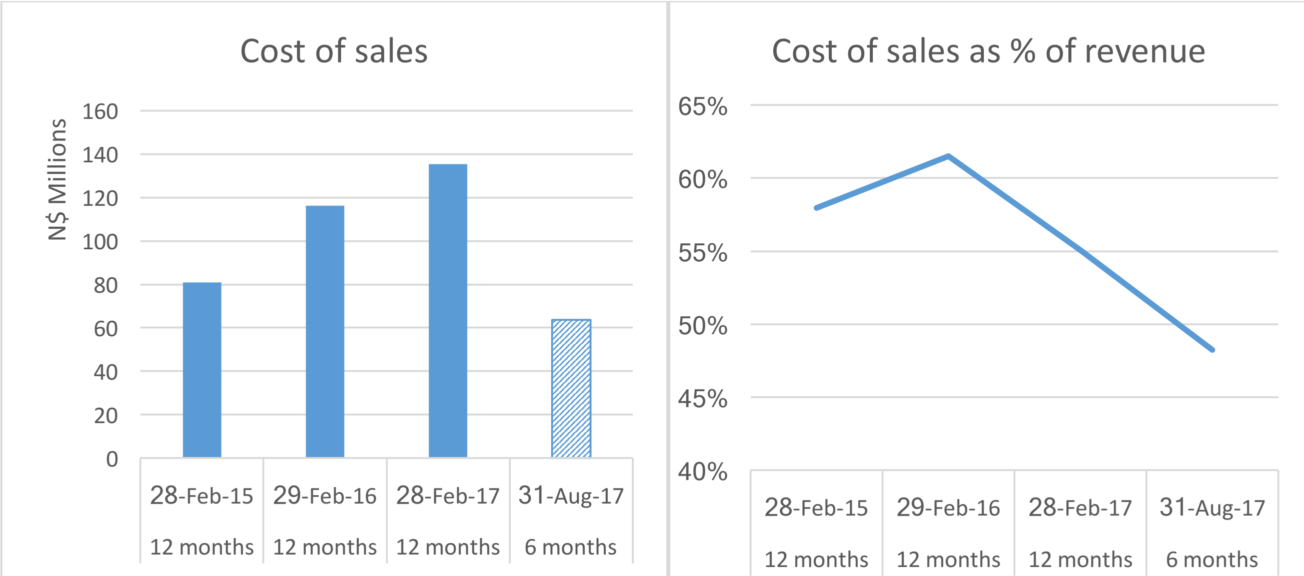
The decrease in the cost of sales to revenue ratio is a function of Paratus' infrastructure roll out, decreasing dependence on- and costs paid to external service providers. Evident from the trend in cost of sales, is that the revenue volume growth has enabled an increased transition from a variable cost structure to a fixed cost structure, bootstrapping revenue growth into faster earnings growth through this operating leverage effect.

Over the past 18 months approximately 60% of Paratus' cost of sales is made up of three line items, consisting of:

- digicon backbone (46%);
- depreciation (9%); and
- least cost routing (5%).

Over the same 18 month period, the remaining 40% of cost of sales averaged approximately 22% of revenue.

While the digicon backbone cost has been decreasing as a percentage of revenue, depreciation has been on a steady increase, again testifying to the structural shift within Paratus, internalising cost of sales.



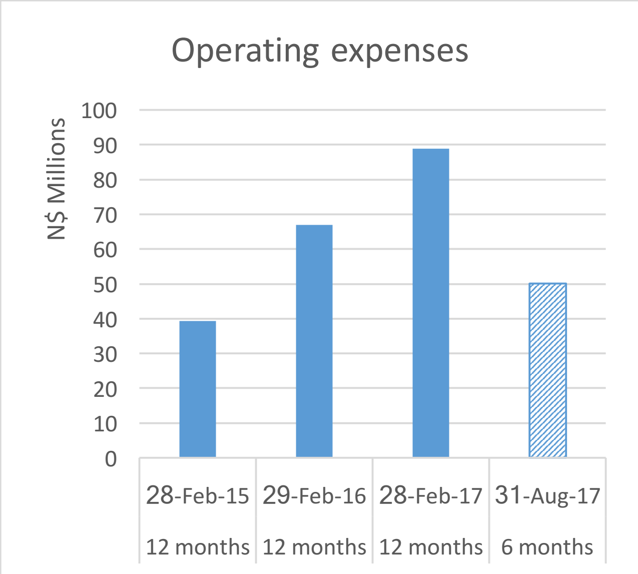
Source: Paratus Telecommunications (Pty) Ltd Annual Financial Statements and Interim Financial Report

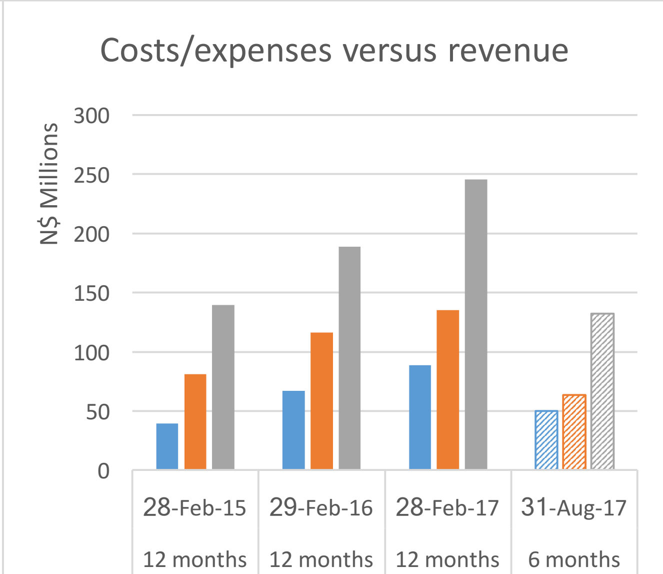
7.7. **Operating expenses**

The five largest categories in Paratus operating expenditure accounts for approximately 80% of total expenses. These categories are:

- employment costs (59.1%);
- license fees (6.1%);
- advertising (5.4%);
- depreciation (5.0%); and
- lease rentals on operating leases (4.2%).

Due to the specialised nature of the ICT sector, the Paratus staff component forms a critical part of its business, Paratus has adopted a strategic focus on skills retention and transfer, to protect the long term sustainability of its business.

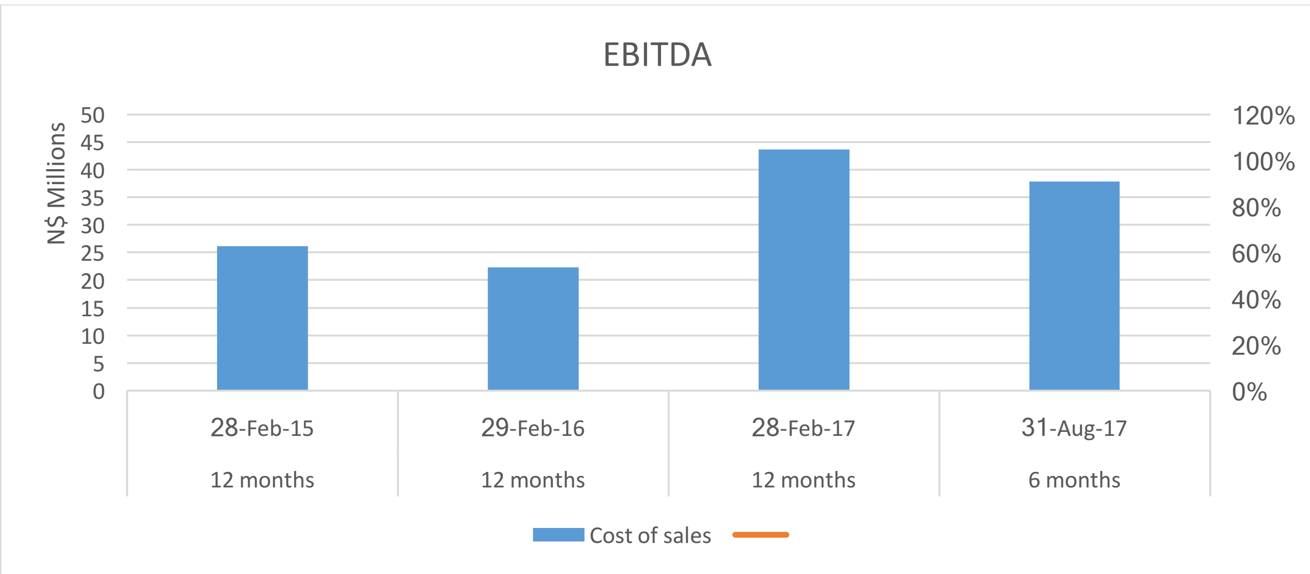




Source: Paratus Telecommunications (Pty) Ltd Annual Financial Statements and Interim Financial Report

7.8. **Earnings**

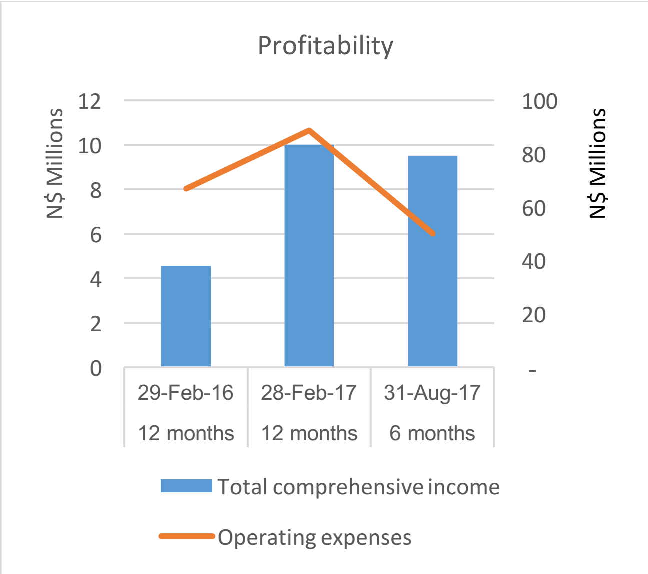
The combination of growth in revenues and slower growth in costs was the catalyst for growth in earnings before interest, tax, depreciation and amortisation (EBITDA) and widening operating margins. EBITDA increased from N$12.4 million in FY16 to N$43 million in FY17, with the trend continuing in the interim with EBITDA for the 6 months recorded at N$37.8 million. The EBITDA margin has widened from 11.8% in FY16 to 17.8% in FY17 to 28.6% in 1H18, testament to the ongoing improvement in the operational efficiencies of Paratus.

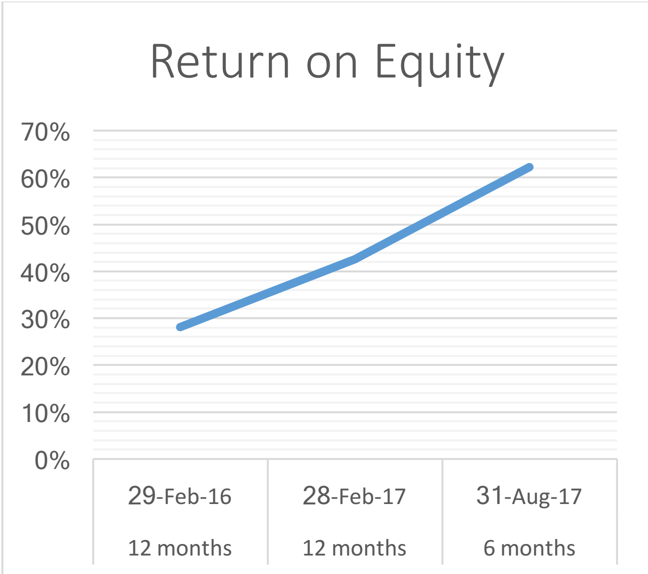


Source: Paratus Telecommunications (Pty) Ltd Annual Financial Statements and Interim Financial Report

The improvement in the operational performance has flowed through to the earning ability of Paratus. Paratus profit after tax increased from N$4.5 million in FY16 to N$10 million in FY17. The interim period reflected strong growth with profits (adjusted for once offs) for the 6 months recorded at N$9.5 million. The net profit margin increased from 2.4% to 4.1% in FY17 to 7.2% in 1H18.

The earnings enhancement led to an improvement in Paratus's average return on equity, increasing from 28.1% in FY16 to 42.6% in FY17 to an annualised 61.1% in 1H18.





Source: Paratus Telecommunications (Pty) Ltd Annual Financial Statements and Interim Financial Report

7.9. **Future prospects**

The future prospects for Paratus Namibia remain positive, with further infrastructure investment resulting in further reductions to cost of sales, while bolstering the potential to increase revenue. Further, reductions in cost-of sales, particularly to a direct competitor, allow Paratus greater price-manoeuvrability, which can be expected to expand their customer base further.

The outlook for Paratus and the company's earning ability is positive given significant structural developments over the last 6 to 12 months. Paratus finished the construction of the fiber line, connecting Ngoma in Botswana to Sesheke in Zambia. Paratus started the construction of the Trans Kalahari Fiber line and subsequently signed a N$87.9 million commercial agreement with BoFiNet. The TKF line is further expected to significantly alter the Paratus cost of sales profile, internalising a substantial percentage of the Company's backhaul capacity, decreasing the monthly cost of sales in excess of N$800,000 and increasing the Company's capacity dramatically changing its competitiveness in Namibia and sub-Saharan Africa. With the write down of the capital expenditure over three years for income tax purposes, the Company's effective tax rate is projected to decrease over the next four financial years.

Improved infrastructure backhaul will allow Paratus not only to offer an improved product in Namibia, but it will also allow the company to generate transit revenue for the first time, carrying backhaul bandwidth capacity from the WACS landing station in Swakopmund to various land-locked countries to Namibia's east. Moreover, once complete, the TKF line will allow the company to earn transit revenue with little-to-no additional variable cost, implying that the fixed costs associated with the lines development will then be spread over greater revenue, and margins will widen further.

8. MATERIAL CONTRACTS FOR NIMBUS

Save for the Acquisition Agreements, Management Agreement, Investment Agreement and Employment agreements with executive Directors disclosed in paragraphs 2; 8.1; 8.2; and 8.3, respectively, as at the date of this Circular, Nimbus has not entered into any material contracts, including any restrictive funding arrangement and/or contracts entered into (whether verbally or in writing) otherwise 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.

8.1. 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 proposed Acquisition shall be excluded from the ambit of the Management Agreement due to it being a direct investment into the Manager.

8.2. 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 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. Cirrus is entitled to be paid Transaction Fees by Nimbus with every acquisition by Nimbus of Viable Assets, equal to 2% of the acquisition cost of the Viable Asset. This fee is payable on the acquisition by Nimbus of Viable Asset.

8.3. 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 08 August 2017 for the CEO and CFO and on 30 June 2017 of 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. In the event that no Viable Assets are acquired, the agreements will terminate automatically.

Until such time as Nimbus completes an acquisition of Viable Assets, the executive Directors will not receive any remuneration for services rendered to Nimbus.

Nimbus will, upon the completion of an acquisition of Viable Assets, negotiate with each executive Director a remuneration package approved by Nimbus' remuneration committee. If Nimbus and the executive Director do not reach agreement on the remuneration package, the employment of the executive director by Nimbus will terminate.

9. MATERIAL CONTRACTS FOR PARATUS

9.1. **BoFiNet TKF agreement**

Paratus and BoFiNet entered into an agreement in September 2017, whereby BoFiNet will gain access, via the TKF Line from Buitepos (Namibia's Border with Botswana) to the WACS landing station in Swakopmund. BoFiNet purchased a 20 year IRS from Paratus, being a permanent contractual commercial agreement that cannot be undone, with transit bandwidth equivalent to capacities of 10 DWDM Wavelengths.

The total purchase price for the 20-year IRS, inclusive of operational and maintenance fees, will be paid in the following manner:

Payments:	**N$**	**Date:**
Capital expenditure payments		
- Deposit:	20 000 000.00	received
- Completion of Windhoek to Swakopmund:	10 819 744.00	estimated 30 November 2017
- Completion of Windhoek to Witvlei:	10 819 744.00	estimated 20 February 2017
- Finalisation:	20 000 000.00	estimated 30 April 2018
	61 639 547.00	
Operational and Maintenance Fees:		
- Year 1:	12 457 658.00	01 May 2019
- Year 2:	13 828 000.00	01 May 2020
	26 285 658.00	

All amounts exclude Namibian Value Added Tax at 15% (to be charged thereon) and Botswana Withholding Tax at 10% (to be deducted therefrom) where applicable.

9.2. **BoFiNet Ngoma agreement**

Paratus and BoFiNet entered into an agreement whereby Paratus provides BoFiNet with 2 pairs of dark fiber optic cable in terms of a 20 year dark fiber IRU between Ngoma and Sesheke via Katima Mulilo, so as to connect BoFiNet to Zambia via Namibia.

The total project cost, inclusive of maintenance and excluding any VAT and withholding tax was agreed to be US$ 1 308 000.00.

However, Paratus offered the following strategic discounts on the transaction:

- 35% discount on the total cost amounting to US$ 458 000.00, on transit capacity through Botswana between Namibian borders, being between Buitepos and Ngoma.The duration of the Transit is based on the duration of the IRU, being 20 years.
    - In exchange for the 35% discount on the total cost amounting to US$ 458 000.00, BoFiNet agreed to provide Paratus with one STM-64 transit capacity, free of charge, between Buitepos and Ngoma once the TKF Line is operational.

- Paratus provided a further 3% goodwill discount to BoFiNet amounting to US$ 25 500.00

The total purchase price for the 20 year IRS, inclusive of operational & maintenance fees and discounts, less withholding tax of 10% have been paid in the following manner:

Payments:	**US$**
- Deposit of 45%:	333 923.00
- First tranche of 20%:	148 410.00
- Second tranche of 20%:	148 410.00
- Finalisation of project (15%):	111 308.00
	742 050.00

10. PERCIEVED CONFLICTS OF INTEREST

As outlined in the Forward Looking Statement and Disclaimer on page 7 of these Circular, conflicts of interests exist between the various parties to the proposed Acquisition. Various controls have been implemented to mitigate the risks associated with these perceived conflicts and ensure that the proposed Acquisition is fair and reasonable.

10.1. The appointment of Cirrus as Investment Manager

10.1.1. The advisory role to the Board that Cirrus performs in its capacity as Investment Manager could be perceived as conflicted due to the investment fees that Cirrus might earn if the proposed Acquisition is executed, together with the small shareholding that Cirrus holds in Nimbus.

10.1.2. Therefore, the transaction advice that Cirrus has provided to the Board has been verified independently from Cirrus by the following processes:

10.1.2.1. A financial due diligence has been performed by Deloitte & Touche, to the satisfaction of the Board;

10.1.2.2. A tax due diligence has been performed by Deloitte & Touche, to the satisfaction of the Board;

10.1.2.3. A legal due diligence has been performed by Ellis Shilengudwa Incorporated, to the satisfaction of the Board;

10.1.2.4. Legal advice and expertise has been procured for the drafting of the Acquisition Agreements from the Attorneys;

10.1.2.5. The financial information relied upon to determine the values for the Acquisition Proceeds consists of audited historical financial information and independently reviewed interim results. Where subsequent management figures and estimates were considered, this was done with a healthy amount of professional scepticism; and

10.1.2.6. The estimated value of the shareholding to be acquired in Paratus has been subjected to an independent fair and reasonable assessment, carried out by EY, as disclosed in Annexure P below.

10.2. **<u>The appointment of Paratus as Manager</u>**

10.2.1. 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.

10.2.2. 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.

10.2.3. The Acquisition Agreements include various minority protections to address the imbalance of power that might exist between minority- and majority shareholders.

Refer to paragraph 2.1.1 for a detail disclosure of minority protections.

10.3. **<u>General procedural controls</u>**

10.3.1. The proposed Acquisition was presented directly to Investment Committee by Investment Manager. The executive Directors representing Paratus did not partake in the Investment Committee proceedings.

10.3.2. Executive directors representing the Manager and Investment Manager did not partake in the approval process. Independent Non-Executive Directors considered the Acquisition as proposed by the Investment Manager for approval, both at Investment Committee level and thereafter, upon the approval and recommendation of the Investment Committee, by the Board.

11. RESPONSIBILITY STATEMENT

11.1. The Directors, whose names are given on page 18 of this Circular, collectively and individually accept full responsibility for the accuracy of the information furnished relating to Nimbus and certify that, to the best of their knowledge and belief, there are no facts that have been omitted which would make any statement false or misleading, and that all reasonable enquiries to ascertain such facts have been made, and that this Circular contains all information required by law and the Listing Requirements.

12. LITIGATION STATEMENT

12.1. There are no legal or arbitration proceedings (including any such proceedings that are pending or threatened) of which Nimbus is aware, which may have or have, over the previous 12 (twelve) months, had a material effect on the financial position of Nimbus or Paratus.

13. WORKING CAPITAL STATEMENT

13.1. The Directors are of the opinion that, following the implementation of the Acquisition and provided that the proposed resolution regarding the use and retention of the Residual Capital is passed:

13.1.1. Nimbus will be able, in the ordinary course of business, to pay its debts for a period of 12 (twelve) months after the date of this Circular;

13.1.2. the assets of Nimbus will be in excess of the liabilities of Nimbus for a period of 12 (twelve) months after the date of this Circular;

13.1.3. the share capital and reserves of Nimbus will be adequate for ordinary business purposes for a period of 12 (twelve) months after the date of this Circular; and

13.1.4. the working capital of Nimbus will be adequate for ordinary business purposes for a period of 12 (twelve) months after the date of this Circular.

14. EXPERT'S CONSENTS

14.1. Each of the advisors, whose names appear on cover of this Circular, have given and have not, prior to issue of this Circular, withdrawn their written consents to the inclusion of their names, and acting in the capacities stated and, where applicable, to their reports being included in this Circular.

15. DOCUMENTS AVAILABLE FOR INSPECTION

15.1. The following documents, or copies thereof, will be available for inspection at the registered office of the Company, during normal business hours from Thursday, 16 November 2017:

i. The Memorandum of Incorporation and Articles of Association of Nimbus and Paratus;
ii. The Fair and Reasonable Opinion, as reproduced in Annexure P;
iii. The following material contracts:

- Acquisition Agreements
- Investment Agreement
- Management Agreement
- Executive Director's Employment Agreements
- DBN Loan Agreement
- BoFiNet Ngoma Agreement
- BoFiNet TKF Agreement

iv. Written consents from each of the advisors referred to in paragraph 14 above;

v. Pro Forma Statement of the Financial Position of Nimbus as at 30 November 2017 (Annexure A);

vi. Independent Reporting Accountant's Report on the Pro Forma Statement of Financial Position of Nimbus (Annexure B);

vii. Report of historical financial information of Paratus for the financial years ended 28 February 2015, 28 February 2016 and 28 February 2017 (Annexure C);

viii. Independent Reporting Account's Report on the Historical Financial Information of Paratus (Annexure D);

ix. Interim financial results of Paratus for the 6 months ended 31 August 17 (Annexure E);

x. Independent Reporting Account's Report on the interim Financial Information of Paratus (Annexure F);

xi. Pro Forma Statement of the Financial Position of Paratus as at 30 November 2017 (Annexure G);

xii. Independent Reporting Accountant's Report on the Pro Forma Statement of the Financial Position of Paratus (Annexure H);

xiii. Report of historical financial information of ITN Property Two (Annexure I);

xiv. Independent Reporting Account's Report on the Annual Financial Information of ITN Property Two (Annexure J);

xv. Report of interim financial information of ITN Property Two (Annexure K);

xvi. Independent Reporting Account's Report on the interim Financial Information of ITN Property Two (Annexure L);

xvii. Interim financial results of Easco Properties for the six months ended 31 August 2017 (Annexure M);

xviii. Independent Reporting Account's Report on the interim Financial Information of Easco

Properties (Annexure N);

xix. Abridged valuations report (Annexure O);

xx. Fairness Opinion (Annexure P); and

xxi. A copy of this Circular.

16. VENDORS

Cuvelai currently holds 11,850 of the 35,000 (or 33.9%) of the issued ordinary shares in Paratus. 100% of the issued share capital in Cuvelai is held by current Paratus employees consisting of senior personnel, executive management and directors. Nimbus is to acquire 8% of Cuvelai's interest in Paratus

Name of vendor	Cuvelai Telecommunications (Pty) Ltd
Registered office	106 Nickel Street, Prosperita, Windhoek, Namibia
Place of incorporation	Namibia
Date of incorporation	30 July 2012
Authorised share capital	10,000 ordinary shares
Issued share capital	10,000 ordinary shares
Changes to capital over past three years	N/A
Nature of business	Telecommunications
Operating period	5 years
Asset acquired from vendor	Acquire 3,035 of the 11,850 Paratus Shares. The 3,035 shares are equivalent to 8.0% of the issued shares in Paratus
Date asset originally acquired by the vendors	N/A
Price paid to the vendor including transaction costs plus deferred and contingent considerations	A cash payment of N$20,000,000.00 to acquire 8% (eight percent) of the issued share capital in Paratus (prior to the dilution effect caused by the capital injection as per section 2.1.1.3 of the Circular);
Effective date of acquisition of the asset	Upon fulfilment of Conditions Precedent
Were book debts guaranteed by the vendor?	No

Were normal warranties provided by the vendor?	Yes, refer to section 2 of the Circular
Were restraints imposed on the vendor under the acquisition?	No
Did the acquisition involve any liability for accrued taxation?	No
Has the asset to be acquired been transferred into the name of Nimbus or one of its subsidiaries?	No, will be done on closing date.
Has the asset to be acquired been ceded or pledged?	No
Details of how the value of the securities was determined?	Valuation by Cirrus Capital and by Independent Professional Expert
The beneficial interest, direct or indirect, of any promoter or director in any transaction?	Yes, as disclosed on section 4.1 of the Circular
The amount of any cash or securities paid or benefit given or proposed to be paid or given, to any promoter, not being a director?	Not applicable

Paratus will issue 9,548 new shares in Paratus to Nimbus 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

Name of vendor	Paratus
Registered office	106 Nickel Street, Prosperita, Windhoek, Namibia
Place of incorporation	Namibia
Date of incorporation	28 February 2007
Authorised share capital	35,000
Issued share capital	35,000
Changes to capital over past three years	1,668 ordinary shares issued October 2017
Nature of business	Telecommunications
Operating period	10 years
Asset acquired from vendor	9,548 or 20.1% in newly issued shares for an effective shareholding of 26.5% after the allotment.
Date asset originally acquired by the vendors	N/A
Price paid to the vendor including transaction costs plus deferred and contingent considerations	The full consideration for the effective 26.5% shareholding shall be N$95,000,000.00. The transaction costs, including the completion of legal drafting, financial, tax and legal due diligences, fair and reasonable assessment and audit fees shall amount to approximately N$1,109,750.00[4]. The transaction fee payable to the investment manager

[4] This amount is based on quotations received and is liable to change based on actual time spent by professional parties, and excludes potential costs associated with filing a merger notice with the Namibia Competition Commission.

	shall amount to approximately N$1,900,000.00.
Effective date of acquisition of the asset	Upon fulfilment of Conditions Precedent
Were book debts guaranteed by the vendor?	No
Were normal warranties provided by the vendor?	Yes, refer to section 2
Were restraints imposed on the vendor under the acquisition?	No
Did the acquisition involve any liability for accrued taxation?	No
Has the asset to be acquired been transferred into the name of Nimbus or one of its subsidiaries?	No, will be done on closing date.
Has the asset to be acquired been ceded or pledged?	No
Details of how the value of the securities was determined?	Valuation by Cirrus Capital and by Independent Professional Expert
The beneficial interest, direct or indirect, of any promoter or director in any transaction?	Yes, as disclosed on paragraph 4.1
The amount of any cash or securities paid or benefit given or proposed to be paid or given, to any promoter, not being a director?	Not applicable

17. DIRECTOR'S RECOMMENDATION

17.1. The disinterested Directors of the Nimbus Board have considered the terms and conditions of the Acquisition and are of the opinion that the Acquisition is in the interests of Nimbus Shareholders and fits the Company's investment policy and is demonstrates another step in the Company fulfilling its objectives.

17.2. The disinterested Directors of the Nimbus Board recommend that Shareholders vote in favour of the resolutions to be proposed at the General Meeting, as detailed in the Notice of General Meeting.

17.3. The disinterested Directors of the Nimbus Board have considered the terms and conditions of the Acquisition and has approved the Acquisition. The disinterested Directors of the Nimbus Board have considered the terms and conditions of the Investment Agreement and are of the opinion that the fee therein is market-related. The disinterested Directors of the Nimbus Board have resolved that the persons indicated in paragraph 4.1, executive members of the Manager and Investment Manager, and the Attorneys, and their associates not vote their shares for the approval of the Acquisition at the General Meeting.

17.4. All related parties and their associates will be taken into account in determining a quorum at the General Meeting, but that their votes will not be taken into account in determining the results of the voting at such meeting in relation to any resolution in connection with the Acquisition.

17.5. The Directors of Nimbus take note that the directors of Paratus acknowledged the Adverse Opinion made by PWC in respect of the interim financial statements contained in Annexure F, read together with Annexure E. As explained in note 9 of Annexure E, the company has not presented group financial statements in which it consolidates its investment in Canocopy Proprietary Limited, its subsidiary company, as required by International Financial Reporting Standards IFRS 10 Consolidated financial statements. This investment is accounted for on a cost basis. Under International Financial Reporting Standards, the subsidiary should have been consolidated because it is controlled by Paratus. After the reporting date, Paratus declared a dividend in specie whereby their shareholding in Canopcopy Proprietary Limited was transferred to the shareholders of Paratus prior to the proposed Acquisition.

17.6. The Directors are satisfied that not consolidating Canocopy Proprietary Limited has had no material impact on the proposed Acquisition.

SIGNED AT WINDHOEK ON 14 NOVEMBER 2017 BY____________ and __________________ ON BEHALF OF ALL THE DIRECTORS OF NIMBUS, AS LISTED, IN TERMS OF POWERS OF ATTORNEYS SIGNED BY SUCH DIRECTORS

Director Director

ANNEXURE A: PRO FORMA STATEMENT OF THE FINANCIAL POSITION OF NIMBUS AS AT 31 JULY 2017

BASIS OF PREPARATION

The Pro Forma Statement of Financial Position of Nimbus as at 31 July 2017 ("**Pro Forma Statement of Financial Position of Nimbus**") has been prepared, based on the assumption that the Acquisition had taken place on 31 July 2017, has been prepared for illustrative purposes only and because of its nature may not fairly present Nimbus's financial position and changes in equity after the Acquisition.

The Pro Forma Statement of Financial Position of Nimbus has been prepared using accounting policies that comply with IFRS and that are consistent with those applied in the audited Report of Historical Financial Information of Nimbus, as set out in Annexure A to the Pre-listing Statement.

The Pro Forma Statement of Financial Position of Nimbus has been prepared in accordance with the NSX Listing Requirements and the South African Institute of Chartered Accountants Guide on Pro Forma Financial Information (revised and issued in September 2014) and are the responsibility of the Directors.

The Independent Reporting Accountants' report on the Pro Forma Statement of Financial Position of Nimbus is set out in **Annexure B** to this Circular.

Pro forma statement of financial position of Nimbus as at 31 July 2017 reflecting effects of the Private Placement, Listing and Acquisition:

	Column 1	Column 2	Column 3	Column 4	Column 5
	Before balance sheet 31 July 2017 (N$)	Pro forma adjustment for capital raised (N$)	Pro forma balance sheet 31 July 2017 (N$)	Pro forma adjustment for Acquisition (N$)	Pro forma balance sheet 31 July 2017 (N$)
Statement of financial position					
Assets					
Current assets					
Cash and cash equivalents	600 000	100 461 890	101 061 890	(98 354 750)	2 707 140
Non-Current assets					
Investment in Associate	-	-	-	98 294 750	98 294 750
Total assets	600 000	100 461 890	101 061 890	(60 000)	101 001 890
Capital and reserves					
Share capital	750	102 884	103 634	-	103 634
Share Premium	599 250	100 945 188	101 544 438	-	101 544 438
Retained income/(loss)	-	(899 364)	(899 364)	(60 000)	(959 364)
Liabilities					
Current liabilities					
Trade Creditors	-	313 182	313 182	-	313 182
Total equity and liabilities	600 000	100 461 890	101 061 890	(60 000)	101 001 890
Number of shares in issue	75 007	10 288 400	10 363 407		10 363 407
NAV per share (N$)	8.00				9.75

Notes and Assumptions:

1. Column 1 presents the Statement of Financial Position of Nimbus, which has been extracted, without adjustment, from the audited Historical Financial Information of Nimbus as set out in **Annexure A** of the Pre-Listing Statement

2. Column 2 presents the financial effects of the Private Placement and the Listing including the following adjustments:
   - 2.1. The net asset value per Share figure is calculated on the basis that the Private Placement was effected on 31 July 2017.
   - 2.2. An increase in cash and cash equivalents to reflect the receipt of the N$ 102 884 000 proceeds in respect of the Private Placement less transaction costs of N$ 2 422 110 paid and a provision for creditors of N$ 313 182.
   - 2.3. An increase in stated capital to reflect the issue of 10 288 400 new ordinary Nimbus Shares with a par value of N$ 0.01 each at premium of N$ 9.99 and an issue price of N$10 per Share in respect of the Private Placement.
   - 2.4. Transaction costs of N$ 2 735 292 was incurred for the Private Placement and Listing, of which N$ 1 835 928 has been capitalised against share capital in accordance with IAS 32: Financial Instruments and N$ 899 364 expensed through the Statement of Comprehensive Income.

3. Column 3 presents the total of column 1 and column 2.

4. Column 4 presents the financial effects of the Acquisition, including the following adjustments:
   - 4.1 Acquisition of a 26.5% shareholding in Paratus for N$ 95 000 000.00.
   - 4.2 Transaction costs relating to the acquisition amounting to N$ 3 294 750.00, including due diligence fees, legal fees and transaction fees to the Investment Manager.
   - 4.3 The costs of publication of the notice and hosting of the general meeting to approve the Acquisition amounting to N$60 000.00.

5. Column 5 presents the total of column 3 and column 4.

ANNEXURE B: INDEPENDENT REPORTING ACCOUNTANT'S REPORT ON THE PRO FORMA STATEMENT OF FINANCIAL POSITION OF NIMBUS

16 November 2017
The Directors
Nimbus Infrastructure Limited
1 Charles Cathral Street
Olympia
Windhoek
Namibia

Dear Sirs,

Independent reporting accountant's assurance report on the compilation of Pro Forma Financial Information of Nimbus Infrastructure Limited

Introduction

Nimbus Infrastructure Limited ("Nimbus" or "the Company") is issuing a circular to its shareholders to be dated on or about 16 November 2017 (the "Circular") regarding the proposed acquisition of 26.5% shareholding in Paratus Telecommunications Pty Ltd ("Paratus") ("the Acquisition").

At your request and for the purposes of the Circular, we present our assurance report on the compilation of the pro forma financial information of Nimbus by the directors. The pro forma financial information, presented in Annexure A to the Circular, consists of the pro forma statement of financial position as at 31 July 2017 and the pro forma financial effects (the "Pro Forma Financial Information"). The Pro Forma Financial Information has been compiled on the basis of the applicable criteria specified in the Namibia Stock Exchange ("NSX") Listings Requirements.

The Pro Forma Financial Information has been compiled by the directors to illustrate the impact of the Acquisition on the Company's reported financial position as at 31 July 2017 and as if the Acquisition had taken place at 31 July 2017, respectively. As part of this process, information about the Company's financial position has been extracted by the directors from the Company's statement of financial position as at 31 July 2017, on which a audit report has been published.

Directors' responsibility

The directors of the Company are responsible for the compilation, contents and presentation of the Pro Forma Financial Information on the basis of the applicable criteria specified in the NSX Listings Requirements and described in the Circular. The directors of the Company are also responsible for the financial information from which it has been prepared.

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 & 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 and in accordance with other ethical requirements applicable to performing audits in Namibia.

The firm applies International Standard on Quality Control 1 and, accordingly, maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Reporting accountant's responsibility

Our responsibility is to express an opinion about whether the Pro Forma Financial Information has been compiled, in all material respects, by the directors on the basis specified in the NSX Listings Requirements based on our procedures performed. We conducted our engagement in accordance with the International Standard on Assurance Engagements (ISAE) 3420, *Assurance Engagements to Report on the Compilation of Pro Forma Financial Information* Included in a Prospectus. This standard requires that we plan and perform our procedures to obtain reasonable assurance about whether the Pro Forma Financial Information has been compiled, in all material respects, on the basis specified in the NSX Listings Requirements.

For purposes of this engagement, we are not responsible for updating or reissuing any reports or opinions on any historical financial information used in compiling the Pro Forma Financial Information, nor have we, in the course of this engagement, performed an audit or review of the financial information used in compiling the Pro Forma Financial Information.

As the purpose of Pro Forma Financial Information included in a circular is solely to illustrate the impact of a significant corporate action or event on unadjusted financial information of the entity as if the corporate action or event had occurred or had been undertaken at an earlier date selected for purposes of the illustration, we do not provide any assurance that the actual outcome of the event or transaction would have been as presented.

A reasonable assurance engagement to report on whether the Pro Forma Financial Information has been compiled, in all material respects, on the basis of the applicable criteria involves performing procedures to assess whether the applicable criteria used in the compilation of the Pro Forma Financial Information provides a reasonable basis for presenting the significant effects directly attributable to the corporate action or event, and to obtain sufficient appropriate evidence about whether:

- The related pro forma adjustments give appropriate effect to those criteria; and
- The Pro Forma Financial Information reflects the proper application of those adjustments to the unadjusted financial information.

Our procedures selected depend on our judgment, having regard to our understanding of the nature of the company, the corporate action or event in respect of which the Pro Forma Financial Information has been compiled, and other relevant engagement circumstances.

Our engagement also involves evaluating the overall presentation of the Pro Forma Financial Information.

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

Opinion

In our opinion, the Pro Forma Financial Information has been compiled, in all material respects, on the basis of the applicable criteria specified by the NSX Listings Requirements and described in the Circular.

PricewaterhouseCoopers

Registered Accountants and Auditors
Chartered Accountants (Namibia)
Per: Louis van der Riet
Partner
Windhoek, Namibia
16 November 2017

ANNEXURE C: REPORT OF HISTORICAL FINANCIAL INFORMATION OF PARATUS FOR THE FINANCIAL YEARS ENDED 28 FEBRUARY 2015, 28 FEBRUARY 2016 AND 28 FEBRUARY 2017

Paratus was initially incorporated in Namibia in 2003 as a private company under the name of “Internet Technologies Namibia (Proprietary) Limited” under registration with limited liability, with Registration Number 2003/273. On 1 March 2014, the business and net assets were sold to Paratus Telecommunications (Proprietary) Limited under registration number 2007/0100. The business and the assets were sold to Paratus as Paratus owns a Class Comprehensive Telecommunications Services Licence.

Commentary related to the financial performance of Paratus has been showed in Section 7 in the Circular.

Statement of Financial Position

Figures in Namibian Dollar	Note(s)	2017	2016	2015
Assets				
Non-Current Assets				
Property, plant and equipment	3	60,717,785	57,471,079	19,893,639
Intangible assets	4	23,135,427	23,730,014	18,400,000
Investments in subsidiaries	5	40,416,748	40,416,748	15,000,000
Loans to related parties	6	7,891,348	-	-
Finance lease receivables	8	3,028,948	2,563,925	-
		135,190,256	**124,181,766**	**53,293,639**
Current Assets				
Inventories	9	22,833,560	8,633,145	3,368,124
Loans to related parties	6	27,134,736	44,074,000	2,597,323
Loans to shareholders	7	1,399,407	-	399,053
Current tax receivable		350,183	350,183	-
Trade and other receivables	10	18,691,156	28,277,354	17,787,690
Prepayments		-	-	5,329,891
Cash and cash equivalents	11	1,354,742	115,986	369,567
		71,763,784	**81,450,668**	**29,851,648**
Total Assets		**206,954,040**	**205,632,434**	**83,145,287**
Equity and Liabilities				
Equity				
Share capital	12	166,660	166,660	166,660
Retained income		28,319,739	18,308,464	13,754,976
		28,486,399	**18,475,124**	**13,921,636**
Liabilities				
Non-Current Liabilities				
Loans from related parties	6	4,470,631	5,734,062	-
Other financial liabilities	13	105,233,870	102,531,037	10,189,625
Finance lease obligation	14	1,024,445	309,552	402,440
Deferred tax	15	6,011,767	2,686,060	2,124,278
		116,740,713	**111,260,711**	**12,716,343**
Current Liabilities				
Loans from related parties	6	7,204,804	14,701,020	5,992
Loans from shareholders	7	3,230,881	12,656,448	16,571,218
Other financial liabilities	13	8,821,308	-	2,308,838
Current tax payable		-	-	244,813
Finance lease obligation	14	368,764	61,806	984,267
Trade and other payables	16	36,583,907	42,944,719	31,550,661
Bank overdraft	11	5,517,264	5,532,606	4,841,519
		61,726,928	**75,896,599**	**56,507,308**
Total Liabilities		**178,467,641**	**187,157,310**	**69,223,651**
Total Equity and Liabilities		**206,954,040**	**205,632,434**	**83,145,287**

Statement of Profit or Loss and Other Comprehensive Income

Figures in Namibian Dollar	Note(s)	2017	2016	2015
Revenue	17	245,509,537	188,995,247	139,633,407
Cost of sales		(135,256,429)	(116,465,728)	(80,954,963)
Gross profit		**110,253,108**	**72,529,519**	**58,678,444**
Other income		603,600	4,499,758	98,278
Operating expenses		(88,749,604)	(66,638,051)	(39,307,415)
Profit before investment income and finance costs	18	**22,107,104**	**10,391,226**	**19,469,307**
Finance income	19	5,001,682	1,954,879	27,709
Finance costs	20	(13,771,804)	(7,102,918)	(667,645)
Profit before taxation		**13,336,982**	**5,243,187**	**18,829,371**
Taxation	21	(3,325,707)	(689,699)	(6,047,919)
Profit for the year		**10,011,275**	**4,553,488**	**12,781,452**
Other comprehensive income		-	-	-
Total comprehensive income		**10,011,275**	**4,553,488**	**12,781,452**
Earnings before interest and tax		27,108,785	12,346,105	19,497,015
Earnings before Interest, tax, depreciation and amortisation		43,626,717	22,296,726	26,159,113

Statement of Changes in Equity

Figures in Namibian Dollar	Share capital	Retained income	Total equity
Balance at 01 March 2014	**166,660**	**973,525**	**1,140,185**
Changes in equity			
Total comprehensive income for the year	-	12,781,451	12,781,451
Balance at 01 March 2015	**166,660**	**13,754,976**	**13,921,636**
Changes in equity			
Total comprehensive income for the year	-	4,553,488	4,553,488
Total changes	-	4,553,488	4,553,488
Balance at 1 March 2016	**166,660**	**18,308,464**	**18,475,124**
Changes in equity			
Total comprehensive income for the year	-	10,011,275	10,011,275
Total changes	-	10,011,275	10,011,275
Balance at 28 February 2017	**166,660**	**28,319,739**	**28,486,399**
Note(s)	12		

Statement of Cash Flows

Figures in Namibian Dollar	Note(s)	2017	2016	2015
Cash flows from operating activities				
Cash generated from operations	22	27,415,226	21,863,017	30,276,239
Interest income		5,001,682	1,740,905	27,709
Finance costs		(13,771,804)	(7,102,918)	(667,645)
Tax received		-	(722,913)	(3,875,306)
Net cash from operating activities		**18,645,104**	**15,778,091**	**25,760,997**
Cash flows from investing activities				
Purchase of property, plant and equipment	3	(17,658,737)	(46,295,738)	(25,733,843)
Sale of property, plant and equipment	3	352,815	77,363	46,872
Purchase of other intangible assets	4	(1,629,348)	(6,678,661)	(19,922,600)
Loans advanced to related parties		288,269	(5,730,541)	(2,591,331)
Purchase of shares in subsidiaries		-	(40,406,748)	(15,000,000)
Net cash from investing activities		**(18,647,001)**	**(99,034,325)**	**(63,200,902)**
Cash flows from financing activities				
Proceeds from other financial liabilities		11,524,141	90,032,574	12,498,463
Proceeds from shareholders loan		-	-	2,455,798
Repayment of shareholders loan		(10,824,974)	(3,525,717)	16,512,859
Finance lease receipts/ (payments)		1,021,851	(1,845,340)	1,386,707
Finance lease granted		(465,023)	(2,349,951)	-
Net cash from financing activities		**1,255,995**	**82,311,566**	**32,853,827**
Total cash movement for the year		**1,254,098**	**(944,668)**	**(4,586,078)**
Cash at the beginning of the year		(5,416,620)	(4,471,952)	114,127
Total cash at end of the year	11	**(4,162,522)**	**(5,416,620)**	**(4,471,951)**

1. Presentation of Historical Financial Information

The historical financial information have been prepared in accordance with International Financial Reporting Standards, except that the historical financial information does not represent the consolidated historical financial information of the group. The historical financial information have been prepared on the historical cost basis, and incorporate the principal accounting policies set out below.

1.1 Critical judgement in applying the company's accounting policies

In the process of applying the company's accounting policies, the key assumptions made concerning the future and other key sources of estimation uncertainty at the reporting date that could have a significant risk of causing material adjustment to the carrying amounts of the assets and liabilities within the next financial year are:

Allowance for doubtful debts

At each reporting date the company assesses whether their is any objective evidence that debtors are impaired. Accounts are written off when they are irrecoverable.

1.2 Property, plant and equipment

The cost of an item of property, plant and equipment is recognised as an asset when:
- it is probable that future economic benefits associated with the item will flow to the company; and
- the cost of the item can be measured reliably.

Property, plant and equipment is initially measured at cost.

Costs include costs incurred initially to acquire or construct an item of property, plant and equipment and costs incurred subsequently to add to, replace part of, or service it. If a replacement cost is recognised in the carrying amount of an item of property, plant and equipment, the carrying amount of the replaced part is derecognised.

Property, plant and equipment are depreciated on the straight line basis over their expected useful lives to their estimated residual value.

Property, plant and equipment is carried at cost less accumulated depreciation and any impairment losses.

The useful lives of items of property, plant and equipment have been assessed as follows:

Item	Average useful life
Core network assets	5 years
Computer software	3 years
Dedi corporate assets	5 years
IT equipment	5 years
Furniture and fixtures	5 years
Motor vehicles	4 years
Office equipment	5 years
Infrastructure	3 years

The residual value, useful life and depreciation method of each asset are reviewed at the end of each reporting period. If the expectations differ from previous estimates, the change is accounted for as a change in accounting estimate.

The depreciation charge for each period is recognised in profit or loss unless it is included in the carrying amount of another asset.

1.2 Property, plant and equipment (continued)

The gain or loss arising from the derecognition of an item of property, plant and equipment is included in profit or loss when the item is derecognised. The gain or loss arising from the derecognition of an item of property, plant and equipment is determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item.

1.3 Intangible assets

An intangible asset is recognised when:

- it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity; and
- the cost of the asset can be measured reliably.

Intangible assets are initially recognised at cost.

Expenditure on research (or on the research phase of an internal project) is recognised as an expense when it is incurred.

Intangible assets are carried at revalued amount, being fair value at the date of revaluation less any subsequent accumulated amortisation and any subsequent accumulated impairment losses. Revaluations are made with sufficient regularity such that the carrying amount does not differ materially from that which would be determined using fair value at the end of the reporting period.

Any increase in the carrying amount of an intangible asset, as a result of a revaluation, is credited to other comprehensive income and accumulated in the revaluation surplus in equity. The increase is recognised in profit or loss to the extent that it reverses a revaluation decrease of the same asset previously recognised in profit or loss.

Any decrease in the carrying amount of an intangible asset, as a result of a revaluation, is recognised in profit or loss in the current period. The decrease is debited to other comprehensive income to the extent of any credit balance existing in the revaluation surplus in respect of that asset.

The amortisation period and the amortisation method for intangible assets are reviewed every period-end.

Amortisation is provided to write down the intangible assets, on a straight line basis, to their residual values as follows:

Item	**Useful life**
Patents, trademarks and other rights	25 years

1.4 Investments in subsidiaries

Investments in subsidiaries are carried at cost less any accumulated impairment.

1.5 Financial instruments

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.

Loans and receivables are subsequently measured at amortised cost, using the effective interest method, less accumulated impairment losses.

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.

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.

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.

Reversals of impairment losses are recognised in profit or loss except for equity investments classified as available-for-sale.

Impairment losses are also not subsequently reversed for available-for-sale equity investments which are held at cost because fair value was not determinable.

1.5 Financial instruments (continued)

Loans to (from) group companies

These include loans to and from holding companies, fellow subsidiaries, subsidiaries, joint ventures and associates and are recognised initially at fair value plus direct transaction costs.

Loans from group companies are classified as financial liabilities measured at amortised cost.

Trade and other receivables

Trade receivables are stated at fair value of the consideration less allowances for estimated irrecoverable amounts. Appropriate allowances for estimated irrecoverable amounts are recognised in profit or loss when there is objective evidence that the asset is impaired.

Trade and other receivables are classified as loans and receivables.

Trade and other payables

Trade payables are initially measured at fair value, 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.

1.6 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).

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.

1.6 Tax (continued)

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

1.7 Leases

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

Finance leases - lessee

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

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

Operating leases - lessee

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

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

1.8 Inventories

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

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

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

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

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

1.9 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.

Irrespective of whether there is any indication of impairment, the company also:
- tests intangible assets with an indefinite useful life or intangible assets not yet available for use for impairment annually by comparing its carrying amount with its recoverable amount. This impairment test is performed during the annual period and at the same time every period.
- tests goodwill acquired in a business combination for impairment annually.

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

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

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

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

Goodwill acquired in a business combination is, from the acquisition date, allocated to each of the cash-generating units, or groups of cash-generating units, that are expected to benefit from the synergies of the combination.

An impairment loss is recognised for cash-generating units if the recoverable amount of the unit is less than the carrying amount of the units. The impairment loss is allocated to reduce the carrying amount of the assets of the unit in the following order:
- first, to reduce the carrying amount of any goodwill allocated to the cash-generating unit and
- then, to the other assets of the unit, pro rata on the basis of the carrying amount of each asset in the unit.

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

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

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

1.10 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.

1.11 Employee benefits

Short-term employee benefits

The cost of short-term employee benefits, (those payable within 12 months after the service is rendered, such as paid vacation leave and sick leave, bonuses, and non-monetary benefits such as medical care), are recognised in the period in which the service is rendered and are not discounted.

The expected cost of compensated absences is recognised as an expense as the employees render services that increase their entitlement or, in the case of non-accumulating absences, when the absence occurs.

1.12 Revenue

Revenue from the sale of goods is recognised when all the following conditions have been satisfied:
- the company has transferred to the buyer the significant risks and rewards of ownership of the goods;
- the company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the economic benefits associated with the transaction will flow to the company; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

When the outcome of a transaction involving the rendering of services can be estimated reliably, revenue associated with the transaction is recognised by reference to the stage of completion of the transaction at the end of the reporting period. The outcome of a transaction can be estimated reliably when all the following conditions are satisfied:
- the amount of revenue can be measured reliably;
- it is probable that the economic benefits associated with the transaction will flow to the company;
- the stage of completion of the transaction at the end of the reporting period can be measured reliably; and
- the costs incurred for the transaction and the costs to complete the transaction can be measured reliably.

When the outcome of the transaction involving the rendering of services cannot be estimated reliably, revenue shall be recognised only to the extent of the expenses recognised that are recoverable.

Service revenue is recognised by reference to the stage of completion of the transaction at the end of the reporting period. Stage of completion is determined by services performed to date as a percentage of total services to be performed.

Revenue is measured at the fair value of the consideration received or receivable and represents the amounts receivable for goods and services provided in the normal course of business, net of trade discounts and volume rebates, and value added tax.

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

1.13 Cost of sales

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

The related cost of providing services recognised as revenue in the current period is included in cost of sales.

1.14 Borrowing costs

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

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

The capitalisation of borrowing costs commences when:

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

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

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

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

1.15 Translation of foreign currencies

Foreign currency transactions

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

At the end of the reporting period:

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

Exchange differences arising on the settlement of monetary items or on translating monetary items at rates different from those at which they were translated on initial recognition during the period or in previous historical financial information are recognised in profit or loss in the period in which they arise.

When a gain or loss on a non-monetary item is recognised to other comprehensive income and accumulated in equity, any exchange component of that gain or loss is recognised to other comprehensive income and accumulated in equity. When a gain or loss on a non-monetary item is recognised in profit or loss, any exchange component of that gain or loss is recognised in profit or loss.

2. New Standards and Interpretations

2.1 Standards and interpretations not yet effective

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

IFRS 1 First Time Adoption of International Financial Reporting Standards

Annual Improvements 2014-2016 Cycle: Deletion of short-term exemptions that is no longer applicable. Effective for annual periods beginning on or after 1 January 2018.

IFRS 9 Financial Instruments

A finalised 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. Effective for annual periods beginning on or after 1 January 2018.

IAS 39 Financial Instruments

Amendments to permit an entity to elect to continue to apply the hedge accounting requirements in IAS 39 for a fair value hedge of the interest rate exposure of a portion of a portfolio of financial assets or financial liabilities when IFRS 9 is applied, and to extend the fair value option to certain contracts that meet the 'own use' scope exception. Effective date of application is 1 January 2018.

IFRS 12 Disclosure of Interests in Other Entities

Annual Improvements 2014-2016 Cycle: Clarification of the scope of IFRS 12 with respect to interests in entities classified as held for sale in accordance with IFRS 5 Non-current Assets Held for Sale and Discontinued Operations. Effective date of application is 1 January 2017.

IFRS 15 Revenue from Contracts from Customers

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 methodology that is required to be applied to all contracts with customers. Effective for annual periods beginning on or after 1 January 2018.

2. New Standards and Interpretations (continued)

IFRS 16 Leases

New standard that introduces a single lessee accounting model and requires a lessee to recognize assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. A lessee is required to recognize a right-of-use asset representing its right to use the underlying leased asset and a lease liability representing its obligation to make lease payments. A lessee measures right-of-use assets similarly to other non financial assets (such as property, plant and equipment) and lease liabilities similarly to other financial liabilities. As a consequence, a lease recognize depreciation of the right-of-use asset and interest on the lease liability, and also classifies cash repayments of the lease liability into a principal portion and an interest portion and presents them in the statement of cash flows. Effective for annual periods beginning on or after 1 January 2019.

The directors anticipate that the adoption of these Standards and Interpretations in the future periods will have no material impact on the financial statements of the Company.

Figures in Namibian Dollar

3. Property, plant and equipment

	2017			2016		
	Cost / Valuation	Accumulated depreciation	Carrying value	Cost / Valuation	Accumulated depreciation	Carrying value
Capital work in progress	-	-	-	17,484,958	-	17,484,958
Furniture and fixtures	2,483,615	(666,903)	1,816,712	2,257,958	(191,739)	2,066,219
Motor vehicles	2,582,699	(1,139,770)	1,442,929	2,414,090	(444,298)	1,969,792
Office equipment	7,873,109	(3,955,885)	3,917,224	6,092,532	(2,137,865)	3,954,667
IT equipment	2,136,167	(721,144)	1,415,023	1,792,428	(362,322)	1,430,106
Computer software	1,430,813	(109,968)	1,320,845	-	-	-
Infrastructure	12,705,492	(765,627)	11,939,865	6,767,843	(284,935)	6,482,908
Dedi corporation assets	-	-	-	-	-	-
Core network assets	59,871,862	(21,006,675)	38,865,187	34,874,143	(10,791,714)	24,082,429
Total	**89,083,757**	**(28,365,972)**	**60,717,785**	**71,683,952**	**(14,212,873)**	**57,471,079**

	2015		
	Cost / Valuation	Accumulated depreciation	Carrying value
Capital work in progress	-	-	-
Furniture and fixtures	460,403	(73,882)	386,521
Motor vehicles	337,157	(92,812)	244,345
Office equipment	2,696,842	(789,708)	1,907,134
IT equipment	704,219	(107,377)	596,842
Computer software	90,203	(90,203)	-
Infrastructure	1,605,388	(63,882)	1,541,506
Dedi corporation assets	1,064,714	(430,206)	634,508
Core network assets	18,730,611	(4,147,828)	14,582,783
Total	**25,689,537**	**(5,795,898)**	**19,893,639**

Reconciliation of property, plant and equipment - 2017

	Opening balance	Additions	Disposals	Transfers	Depreciation	Total
Capital work in progress	17,484,958	2,255,909	-	(19,740,867)	-	-
Furniture and fixtures	2,066,219	226,813	(731)	-	(475,589)	1,816,712
Motor vehicles	1,969,792	168,609	-	-	(695,472)	1,442,929
Office equipment	3,954,667	1,799,753	(16,175)	-	(1,821,021)	3,917,224
IT equipment	1,430,106	442,019	(41,514)	-	(415,588)	1,415,023
Customer Network equipment and audio visual equipment	-	1,430,813	-	-	(109,968)	1,320,845
Infrastructure	6,482,908	5,937,277	-	-	(480,320)	11,939,865
Core network assets	24,082,429	5,397,544	(59,613)	19,740,867	(10,296,040)	38,865,187
	57,471,079	**17,658,737**	**(118,033)**	**-**	**(14,293,998)**	**60,717,785**

Figures in Namibian Dollar

3. Property, plant and equipment (continued)

Reconciliation of property, plant and equipment - 2016

	Opening balance	Additions	Disposals	Transfers	Depreciation	Total
Plant and machinery	-	17,484,958	-	-	-	17,484,958
Furniture and fixtures	386,521	2,018,483	(116,324)	-	(222,461)	2,066,219
Motor vehicles	244,345	2,076,933	-	-	(351,486)	1,969,792
Office equipment	1,907,134	3,395,689	-	-	(1,348,156)	3,954,667
IT equipment	596,842	1,088,203	-	-	(254,939)	1,430,106
Infrastructure	1,541,506	5,152,653	-	-	(211,251)	6,482,908
Depi corporation assets	634,508	-	-	(634,508)	-	-
Core network assets	14,582,783	15,078,819	-	634,508	(6,213,681)	24,082,429
	19,893,639	**46,295,738**	**(116,324)**	**-**	**(8,601,974)**	**57,471,079**

Reconciliation of property, plant and equipment - 2015

	Opening balance	Additions	Disposals	Depreciation	Total
Furniture and fixtures	-	460,403	-	(73,882)	386,521
Motor vehicles	-	337,157	-	(92,812)	244,345
Office equipment	-	2,696,842	-	(789,708)	1,907,134
IT equipment	-	708,365	(4,146)	(107,377)	596,842
Computer software	-	90,203	-	(90,203)	-
Property, plant and equipment 1	-	1,605,388	-	(63,882)	1,541,506
Property, plant and equipment 2	-	1,064,714	-	(430,206)	634,508
Other property, plant and equipment	-	18,770,771	(40,160)	(4,147,828)	14,582,783
	-	**25,733,843**	**(44,306)**	**(5,795,898)**	**19,893,639**

4. Intangible assets

	2017			2016		
	Cost / Valuation	Accumulated amortisation	Carrying value	Cost / Valuation	Accumulated amortisation	Carrying value
Paratus brand	19,266,200	(2,441,415)	16,824,785	19,266,200	(1,643,486)	17,622,714
Goodwill	1,564,217	-	1,564,217	1,564,217	-	1,564,217
Computer software	4,132,213	(1,508,617)	2,623,596	2,502,865	(468,580)	2,034,285
Customer base	2,701,782	(578,953)	2,122,829	2,701,782	(192,984)	2,508,798
Total	**27,664,412**	**(4,528,985)**	**23,135,427**	**26,035,064**	**(2,305,050)**	**23,730,014**

Figures in Namibian Dollar 2017 2016 2015

4. **Intangible assets (continued)**

	2015		
	Cost / Valuation	Accumulated amortisation	Carrying value
Paratus brand	19,266,200	(866,200)	18,400,000
Goodwill	-	-	-
Computer software	-	-	-
Customer base	-	-	-
Total	**19,266,200**	**(866,200)**	**18,400,000**

Reconciliation of intangible assets - 2017

	Opening balance	Additions	Amortisation	Total
Paratus brand	17,622,714	-	(797,929)	16,824,785
Goodwill	1,564,217	-	-	1,564,217
Computer software	2,034,285	1,629,348	(1,040,037)	2,623,596
Customer base	2,508,798	-	(385,969)	2,122,829
	23,730,014	**1,629,348**	**(2,223,935)**	**23,135,427**

Reconciliation of intangible assets - 2016

	Opening balance	Additions	Additions through business combinations	Amortisation	Total
Paratus brand	18,400,000	-	-	(777,286)	17,622,714
Goodwill	-	-	1,564,217	-	1,564,217
Computer software	-	2,412,662	-	(378,377)	2,034,285
Customer base	-	-	2,701,782	(192,984)	2,508,798
	18,400,000	**2,412,662**	**4,265,999**	**(1,348,647)**	**23,730,014**

Reconciliation of intangible assets - 2015

	Opening balance	Additions	Amortisation	Impairment loss	Total
Patents, trademarks and other rights	-	19,922,600	(866,200)	(656,400)	18,400,000

Figures in Namibian Dollar

4. Intangible assets (continued)

Details of valuation

The effective date of the revaluations was 28 April 2015. Revaluations were performed by an independent valuer, Mr Duncan MacRobert (Registered Chartered Accountant South Africa), of Richmond Capital (Pty) Ltd. Mr MacRobert and Richmond Capital are not connected to the company and have recent experience in the valuation of trademarks, brands and licences.

The valuation was based on Discounted Cashflow Method. The following assumptions were used

Capitalisation rate	30%
Revenue % growth	10%
Lifespan	perpetual
Terminal growth rate	6%

5. Investments in subsidiaries

Name of company	Held by	% voting power 2017	% voting power 2016	% voting power 2015	% holding 2017	% holding 2016	% holding 2015
Paratus Voice Telecommunications (Pty) Ltd	Paratus Telecommunications (Pty) Ltd	100.00 %	100.00 %	100.00 %	100.00 %	100.00 %	100.00 %
Canocopy (Pty) Ltd	Paratus Telecommunications (Pty) Ltd	100.00 %	100.00 %	- %	100.00 %	100.00 %	- %
Internet Technologies Namibia (Pty) Ltd	Paratus Telecommunications (Pty) Ltd	100.00 %	100.00 %	- %	100.00 %	100.00 %	- %

Name of company	Carrying amount 2017	Carrying amount 2016	Carrying amount 2015
Paratus Voice Telecommunications (Pty) Ltd	100	100	15,000,000
Canocopy (Pty) Ltd	40,406,648	40,406,648	-
Internet Technologies Namibia (Pty) Ltd	10,000	10,000	-
	40,416,748	40,416,748	15,000,000

Figures in Namibian Dollar	2017	2016	2015

5. Investments in subsidiaries (continued)

The carrying amounts of subsidiaries are shown net of impairment losses.

6. Loans to (from) related parties

Related parties

	2017	2016	2015
Maximum Networks (Pty) Ltd The loan is unsecured,interest free and has no fixed terms of repayment.	43,778	42,081	(5,992)
ITN Property Two (Pty) Ltd The loan is unsecured, bears interest at prime + 4% per annum and has no fixed terms of repayment.	23,583,066	21,031,503	2,597,323
Paratus Voice Telecommunications (Pty) Ltd The loan is unsecured, interest free and has no fixed terms of repayment.	1,312,083	873,549	-
Paratus Telecommunications Ltd The loan was unsecured, interest free and had no fixed terms of repayment.	-	(2,848,693)	-
Miles October The loan is unsecured, bears interest at 5% on monthly outstanding balance and is repayable in 60 equal monthly installments of N$ 132,051.	(5,734,062)	(6,997,486)	-
Mark R. Barnard & Werner N. Lassen The loan is unsecured, interest free and has no fixed terms of repayment.	(1,441,373)	(6,088,903)	-
Easco Properties CC The loan is unsecured, bears interest at prime rate and has no fixed terms of repayment.	1,595,809	9,662,712	-
Gert Duvenhage The loan is unsecured, interest free and has no fixed terms of repayment.	(4,500,000)	(4,500,000)	-
Canocopy (Pty) Ltd The loan is unsecured, bears interest at prime rate and has no fixed terms of repayment.	8,491,348	12,464,155	-
	23,350,649	23,638,918	2,591,331

	2017	2016	2015
Non-current assets	7,891,348	-	-
Current assets	27,134,736	44,074,000	2,597,323
Non-current liabilities	(4,470,631)	(5,734,062)	-
Current liabilities	(7,204,804)	(14,701,020)	(5,992)
	23,350,649	23,638,918	2,591,331

Figures in Namibian Dollar	2017	2016	2015

7. Loans to (from) shareholders

Cuvelai Telecommunications (Pty) Ltd	(2,122,767)	(2,043,008)	-
The loan are unsecured, bears interest at prime rate plus 2% and has no fixed terms of repayment			
Rolf Peter Konrad Mendelsohn	1,260,333	(2,259,025)	(2,066,696)
Schalk Leipoldt Van Zyl Erasmus	138,176	(3,343,857)	(621,595)
Bartolomeus Roelof Harmse	(1,108,114)	(5,010,558)	399,053
Internet Technologies Namibia (Pty) Ltd	898	-	(13,882,927)
The above loans are unsecured, interest free and have no fixed terms of repayment.			
	(1,831,474)	**(12,656,448)**	**(16,172,165)**
Current assets	1,399,407	-	399,053
Current liabilities	(3,230,881)	(12,656,448)	(16,571,218)
	(1,831,474)	**(12,656,448)**	**(16,172,165)**

8. Finance lease receivables

Gross investment in the lease due			
- within one year	1,534,171	1,161,236	-
- in second to fifth year inclusive	2,151,506	2,081,063	-
	3,685,677	3,242,299	-
less: Unearned finance income	(656,730)	(678,374)	-
	3,028,947	**2,563,925**	**-**
Present value of minimum lease payments due			
- within one year	1,154,621	1,073,834	-
- in second to fifth year inclusive	1,874,326	1,490,091	-
	3,028,947	**2,563,925**	**-**

The company entered into finance leasing arrangements for PABX equipment. The average term of finance leases entered into is five years. The interest inherent in the leases is linked to the Namibian prime rate with the average effective interest rate being approximately 15.25% per annum.

The fair value of these assets approximate their carrying value.

9. Inventories

Work in progress	5,281,834	2,773,213	2,429,256
Merchandise	17,551,726	5,859,932	938,868
	22,833,560	**8,633,145**	**3,368,124**

Figures in Namibian Dollar	2017	2016	2015

10. Trade and other receivables

Trade receivables	16,295,882	19,109,338	16,111,660
CRAN commission	1,419,767	2,223,767	553,333
Deposits	604,102	624,102	203,152
Value Added Tax	-	1,199,203	57,509
Sundry debtors	46,656	11,303	1
Other receivables	324,749	5,109,641	862,035
	18,691,156	**28,277,354**	**17,787,690**

Fair value of trade and other receivables

The carrying value of trade and other receivables approximates fair value.

Trade and other receivables past due but not impaired

Trade and other receivables which are less than 90 days past due are not considered to be impaired. At 28 February 2017,N$ 7,665,689.68 (2016: N$ 18,991,739 ; 2015: N$ 7,576,637) were past due but not impaired.

The ageing of amounts past due but not impaired is as follows:

Past due 0 - 30 days	2,519,156	13,958,652	3,276,340
Past 31 - 120 days	2,133,945	3,079,383	3,681,300
Past 121 - 360 days	3,012,588	1,953,704	618,997

Trade and other receivables impaired

As of 28 February 2017, trade and other receivables of N$ 1,621,521 (2016: N$ 1,267,470 ; N$ 865,512) were impaired and provided for.

The ageing of these loans is as follows:

Past due 121 -360 days	1,621,521	1,267,470	865,512

11. Cash and cash equivalents

Cash and cash equivalents consist of:

Cash on hand	16,994	50,324	1,709
Bank balances	1,217,336	41,555	298,362
Short-term deposits	120,412	24,107	69,496
Bank overdraft	(5,517,264)	(5,532,606)	(4,841,519)
	(4,162,522)	**(5,416,620)**	**(4,471,952)**
Current assets	1,354,742	115,986	369,567
Current liabilities	(5,517,264)	(5,532,606)	(4,841,519)
	(4,162,522)	**(5,416,620)**	**(4,471,952)**

Figures in Namibian Dollar	2017	2016	2015

11. Cash and cash equivalents (continued)

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

The overdraft is secured by:
- Unlimited letter of suretyship signed by Schalk Liepoldt Van Zyl Erasmas
- Unlimited letter of suretyship signed by Barthlomeus Roelof Jacobus Harmse
- Unlimited letter of suretyship signed by Rolf Peter Konrad Mendelsohn
- Unlimited letter of suretyship signed by Canocopy (Pty) Ltd Reg No 86/145
-General indemnity signed for the issuing of performance guarantees
-Cession of debts
-No prior liens letter

Details of total facilities are as follows:

- Direct short term overdraft facility - N$7,000,000
- Contigent Facility - N$2,000,000
- PACS Collection Facilities - N$2,000,000
- First Card Facility - N$265,000

Latest review was February 2017

12. Share capital

	2017	2016	2015
Authorised			
35,000 Ordinary shares of N$ 5 each	175,000	175,000	175,000
Issued			
33,332 Ordinary shares of N$ 5 each	166,660	166,660	166,660

13. Other financial liabilities

	2017	2016	2015
Held at amortised cost			
Bank loan The loan bears interest at 10.70% (2016:10.25% ; 2015: 9.25%) and is repayable in 101 monthly installments	114,055,178	102,531,037	12,498,463
Non-current liabilities			
At amortised cost	105,233,870	102,531,037	10,189,625
Current liabilities			
At amortised cost	8,821,308	-	2,308,838
	114,055,178	**102,531,037**	**12,498,463**

Figures in Namibian Dollar	2017	2016	2015

13. Other financial liabilities (continued)

Other financial liabilities are secured as follows:

- Unlimited suretyship by Bartholomeus Roelof Jacobus Harmse
- Unlimited suretyship by Schalk Leipoldt van Zyl Erasmus
- Unlimited suretyship by Rolf Peter Konrad Mendelsohn
- Unlimited suretyship by John Walenga
- Unlimited suretyship by Canocopy (Pty) Ltd supported by cession of debtors
- Unlimited suretyship by ITN Property Two (Pty) Ltd supported by 1st continuing coverage mortgage bond for N$ 34,000,000.00 over Erf 348, Prosperita, Windhoek.
- Suretyship for N$ 9,000,000.00 by Easco Properties CC supported by 1st continuing coverage mortgage bond for N$9,000,000.00 over Erf 232, Prosperita, Windhoek

14. Finance lease obligation

	2017	2016	2015
Minimum lease payments due			
- within one year	496,847	93,604	1,060,280
- in second to fifth year inclusive	1,166,098	371,071	437,433
	1,662,945	464,675	1,497,713
less: future finance charges	(269,736)	(93,317)	(111,006)
Present value of minimum lease payments	**1,393,209**	**371,358**	**1,386,707**
Present value of minimum lease payments due			
- within one year	368,764	61,806	984,267
- in second to fifth year inclusive	1,024,445	309,552	402,440
	1,393,209	**371,358**	**1,386,707**
Non-current liabilities	1,024,445	309,552	402,440
Current liabilities	368,764	61,806	984,267
	1,393,209	**371,358**	**1,386,707**

It is the company policy to lease certain motor vehicles and equipment under finance leases.

The average lease term was 3-5 years and the average effective borrowing rate was 9.75% (2016: 9.25% ; 2015: 8.75%)

Interest rates are linked to prime at the contract date.

The company's obligations under finance leases are secured by the lessor's charge over the leased assets.

Figures in Namibian Dollar	2017	2016	2015

15. Deferred tax

Deferred tax asset

Accelerated capital allowances for tax purposes	(6,011,767)	(2,686,060)	(2,124,278)

Reconciliation of deferred tax asset (liability)

At beginning of the year	(2,686,060)	(2,124,278)	(169,717)
Correction of prior period adjustment	922,519	-	-
Timing differences	(3,975,806)	(4,475,675)	(1,959,704)
Increase (decrease) in tax losses available for set off against future taxable income	(272,420)	3,913,893	5,143
	(6,011,767)	**(2,686,060)**	**(2,124,278)**

16. Trade and other payables

Trade payables	21,901,570	33,965,233	22,516,097
Amounts received in advance	4,006,783	3,357,503	3,268,375
Value Added Tax	1,927,683	-	-
Provisions	3,130,888	1,593,888	22,018
Other Payables	606,232	-	248,942
Accrued expenses	5,010,751	4,028,095	3,257,040
Deposits received	-	-	2,238,189
	36,583,907	**42,944,719**	**31,550,661**

17. Revenue

Sale of goods	-	-	1,192,147
Rendering of services and sale of goods	245,509,537	188,995,247	138,441,260
	245,509,537	**188,995,247**	**139,633,407**

18. Profit before investment income and finance costs

Profit before investment income and finance costs for the year is stated after accounting for the following:

Operating lease charges			
Premises			
• Contractual amounts	4,083,011	2,694,480	981,973
Equipment			
• Contractual amounts	47,912	18,099	-
	4,130,923	**2,712,579**	**981,973**

Figures in Namibian Dollar	2017	2016	2015

18. Profit before investment income and finance costs (continued)

Profit/ (Loss) on sale of property, plant and equipment	234,782	(38,961)	2,566
Impairment on intangible assets	-	-	656,400
Profit on exchange difference	(130,729)	(386,807)	(70,400)
Amortisation on intangible assets	1,426,006	571,361	866,200
Depreciation on property, plant and equipment	2,244,273	1,273,352	1,015,388
Employee costs	52,804,366	35,620,616	22,239,056

19. Finance income

Interest income			
Other loans	1,079,654	-	-
Interest received from bank balances	5,410	45,565	27,709
Finance leases	469,250	213,974	-
Loans to related parties	3,447,368	1,695,340	-
	5,001,682	**1,954,879**	**27,709**

20. Finance costs

Loan facility fee	-	829,991	-
Interest paid	13,771,804	6,272,927	667,645
	13,771,804	**7,102,918**	**667,645**

Figures in Namibian Dollar	2017	2016	2015

21. Taxation

Major components of the tax expense

Current			
Local income tax - current period	-	-	4,093,358
Local income tax - recognised in current tax for prior periods	-	127,917	-
	-	**127,917**	**4,093,358**
Deferred			
Deferred tax	3,325,707	561,782	1,954,561
	3,325,707	**689,699**	**6,047,919**

Reconciliation of the tax expense

Reconciliation between accounting profit and tax expense.

Accounting profit	13,336,982	5,243,187	18,829,371
Tax at the applicable tax rate of 32% (2016: 32% ; 2015: 32%)	4,267,834	1,677,820	6,025,398
Tax effect of adjustments on taxable income			
Permanent differences	(31,864)	(1,117,531)	13,008
Charitable donations income	12,256	1,493	14,682
Prior period adjustment	(922,519)	127,917	-
Rate change from 33% to 32%	-	-	(5,169)
	3,325,707	**689,699**	**6,047,919**

22. Cash generated from operations

Profit /(Loss) before taxation	13,336,982	5,243,187	18,829,371
Adjustments for:			
Depreciation and amortisation	16,517,933	9,950,621	6,662,098
(Profit)/ Loss on sale of assets	(234,782)	38,961	(2,566)
Interest received	(5,001,682)	(1,954,879)	(27,709)
Finance costs	13,771,804	7,102,918	667,645
Impairment loss	-	-	656,400
Impairment loss	-	512,945	-
Changes in working capital:			
Inventories	(14,200,415)	(5,265,021)	(3,368,124)
Trade and other receivables	9,586,198	(10,489,664)	(11,283,033)
Prepayments	-	5,329,891	(5,329,891)
Trade and other payables	(6,360,812)	11,394,058	23,472,048
	27,415,226	**21,863,017**	**30,276,239**

23. Auditors' remuneration

Fees	369,384	290,250	157,322

Figures in Namibian Dollar	2017	2016	2015

24. Related parties

Relationships

Shareholder (9% shareholding)	The Blue Bird Trust 5
Shareholder (30% shareholding)	Cuvelai Telecommunications (Pty) Ltd
Shareholder (5% shareholding)	Internet Technologies Namibia (Pty) Ltd
Shareholder (9% shareholding)	The Leo Trust
Shareholder (16% shareholding)	Bartholomeus R Harmse
Shareholder (16% shareholding)	Schalk L. Van Zyl Erasmus
Shareholder (15% shareholding)	Rolf P. K Mendelsohn
Subsidiaries	Paratus Voice Telecommunications (Pty) Ltd Canocopy (Pty) Ltd Internet Technologies Namibia (Pty) Ltd
Other related parties	Maximum Networks (Pty)Ltd ITN Property Two (Pty) Ltd Easco Properties CC Paratus Telecommunications Ltd Mauritius
Director	Schalk L. Van Zyl Erasmus Edward JD Alton Bartholomeus R. Harmse John Walenga Christiaan Bazuin

Related party balances

	2017	2016	2015
Loan accounts - Owing (to) by related parties			
Bartholomeus R. Harmse	(1,108,114)	(5,010,558)	399,053
Schalk L. Van Zyl Erasmus	138,176	(3,343,857)	(621,595)
Rolf P. K Mendelsohn	1,260,333	(2,259,025)	(2,066,696)
Maximum Networks (Pty)Ltd	43,778	42,081	(5,992)
ITN Property Two (Pty) Ltd	23,583,066	21,031,503	2,597,323
Cuvelai Telecommunications (Pty) Ltd	(2,122,767)	(2,043,008)	-
Easco Properties CC	1,595,809	9,662,712	-
Werner N. Lassen	(1,441,373)	(6,088,903)	-
Miles October	(5,734,062)	(6,997,486)	-
Gert Duvenhage	(4,500,000)	(4,500,000)	-
Canocopy (Pty) Ltd	8,491,348	12,464,115	-
Paratus Telecommunications Ltd	-	(2,848,693)	-
Paratus Voice Telecommunications (Pty) Ltd	1,312,083	873,549	-
Internet Technologies (Pty) Ltd	899	-	(13,882,927)
Amounts included in Trade receivables regarded related parties			
Paratus Telecommunications (Pty) Ltd Zambia	204,910	-	-
Internet Technologies (Pty) Ltd Angola	16,934	-	-
Paratus Telecommunications Ltd Mauritius	5,315,887	-	-
Paratus Telecommunications (Pty) Ltd Botswana	183,715	-	-
Maximum Networks (Pty) Ltd	5,660	-	-
Paratus Voice Telecommunications (Pty) Ltd	-	-	435,065

Figures in Namibian Dollar	2017	2016	2015
24. Related parties (continued)			
Amounts included in Trade Payables regarding related parties			
Paratus Telecommunications Ltd Mauritius	23,910	-	-
Paratus Telecommunications (Pty) Ltd Zambia	4,131	-	-
Paratus Voice Telecommunications (Pty) Ltd	-	-	(390,913)
Related party transactions			
Property and Equipment purchase from related parties			
Paratus Voice Telecommunications (Pty) Ltd	-	106,202	436,834
Canocopy (Pty) Ltd	79,606	73,529	-
Purchases from related parties			
Paratus Voice Telecommunications (Pty) Ltd	-	308,279	532,811
Canocopy (Pty) Ltd	685,882	420,772	-
Rent paid to related party			
ITN Property Two (Pty) Ltd	3,026,087	1,008,696	-
Property and Equipment purchased from related party			
Bartholomeus R. Harmse	-	225,251	-
Interest received from related party			
ITN Property Two (Pty) Ltd	3,277,670	1,532,629	-
Easco Properties (Pty) Ltd	169,670	-	-
Canocopy (Pty) Ltd	1,038,636	-	-
Dividends received from related party			
Internet Technologies Namibia (Pty) Ltd	-	3,302,549	-
Management fees received from related party			
Canocopy (Pty) Ltd	774,000	-	-

Figures in Namibian Dollar

25. Directors' emoluments

Executive

2017

	Salaries and allowances	Total
Executive Directors	5,482,601	5,482,601

2016

	Salaries and allowances	Total
Executive Directors	3,287,241	3,287,241

2015

	Salaries and allowances	Total
Executive Directors	3,423,003	3,423,003

Figures in Namibian Dollar

26. Risk management

Financial risk management

The company's activities expose it to a variety of financial risks: interest rate risk, liquidity risk and credit risk.

Liquidity risk

The company's risk to liquidity is a result of the funds available to cover future commitments. The company manages liquidity risk through an ongoing review of future commitments and credit facilities.

Cash flow forecasts are prepared and adequate utilised borrowing facilities are monitored.

The table below analyses the company's financial liabilities and net-settled derivative financial liabilities into relevant maturity groupings based on the remaining period at the statement of financial position to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

At 28 February 2017	Less than 1 year	Between 1 and 2 years
Trade Payables	36,583,908	-
Loans from related parties	7,204,804	4,470,631
Loans from shareholders	3,230,881	-
Finance lease liabilities	368,764	1,024,445
Other financial liabilities	8,821,308	105,233,870
Bank overdraft	5,517,264	-

At 29 February 2016	Less than 1 year	Between 1 and 2 years
Trade Payables	42,944,719	-
Loans from related parties	14,701,020	5,734,062
Loans from shareholders	12,656,448	-
Finance lease liabilities	61,806	309,552
Other financial liabilities	-	102,531,037
Bank overdraft	5,532,606	-

At 28 February 2015	Less than 1 year	Between 1 and 2 years
Trade and other payables	31,550,662	-
Loans from related parties	5,992	-
Loans from shareholders	16,571,218	-
Finance lease obligation	984,267	402,440
Other financial liabilities	2,308,838	10,189,625
Bank overdraft	4,841,519	-

Figures in Namibian Dollar

26. Risk management (continued)

Interest rate risk

As the company has no significant interest-bearing assets, the company's income and operating cash flows are substantially independent of changes in market interest rates.

At 28 February 2017, if interest rates on Namibian Dollar-denominated borrowings had been 1% higher/lower with all other variables held constant, post-tax profit for the year would have been N$ 1 333 225 (2016: N$ 1 219 755 ; 2015: N$ 54 907) lower/higher, mainly as a result of higher/lower interest expense on floating rate borrowings.

Credit risk

Credit risk consists mainly of cash deposits, cash equivalents, trade debtors, loans to related parties and prepayments. The company only deposits cash with major banks with high quality credit standing and limits exposure to any one counter-party.

Trade receivables comprise a widespread customer base. Management evaluated credit risk relating to customers on an ongoing basis. If customers are independently rated, these ratings are used. Otherwise, if there is no independent rating, risk control assesses the credit quality of the customer, taking into account its financial position, past experience and other factors. Individual risk limits are set based on internal or external ratings in accordance with limits set by the board. The utilisation of credit limits is regularly monitored. Sales to retail customers are settled in cash or using major credit cards. Credit guarantee insurance is purchased when deemed appropriate.

Financial assets exposed to credit risk at year end were as follows:

Financial instrument	2017	2016	2015
Trade and other receivables	18,691,156	28,277,354	17,787,690
Cash and cash equivalents	1,354,742	115,986	369,567
Loans to related parties	35,026,084	44,074,000	2,597,323
Loans to shareholders	1,399,408	-	399,053
Prepayments	-	-	5,329,891

Foreign exchange risk

The company operates internationally and is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the US dollar and the UK pound. Foreign exchange risk arises from future commercial transactions, recognised assets and liabilities and net investments in foreign operations.

The company does not hedge foreign exchange fluctuations.

27. Financial assets by category

The accounting policies for financial instruments have been applied to the line items below:

Figures in Namibian Dollar

27. Financial assets by category (continued)

2017

	Loans and receivables	Total
Loans to related parties	35,026,084	35,026,084
Loans to shareholders	1,399,407	1,399,407
Trade and other receivables	18,691,156	18,691,156
Cash and cash equivalents	1,354,742	1,354,742
Finance lease receivables	3,028,948	3,028,948
	59,500,337	59,500,337

2016

	Loans and receivables	Total
Loans to related parties	44,074,000	44,074,000
Trade and other receivables	28,277,354	28,277,354
Cash and cash equivalents	115,986	115,986
Finance lease receivables	2,563,925	2,563,925
	75,031,265	75,031,265

2015

	Loans and receivables	Total
Loans to related parties	2,597,323	2,597,323
Loans to shareholders	399,053	399,053
Trade and other receivables	17,787,690	17,787,690
Cash and cash equivalents	369,567	369,567
Prepayments	5,329,891	5,329,891
	26,483,524	26,483,524

28. Financial liabilities by category

The accounting policies for financial instruments have been applied to the line items below:

Figures in Namibian Dollar

28. Financial liabilities by category (continued)

2017

	Financial liabilities at amortised cost	Total
Loans from related parties	11,675,435	11,675,435
Loans from shareholders	3,230,881	3,230,881
Other financial liabilities	105,233,870	105,233,870
Trade and other payables	36,583,908	36,583,908
Bank overdraft	5,517,264	5,517,264
Finance lease obligations	1,393,209	1,393,209
	163,634,567	**163,634,567**

2016

	Financial liabilities at amortised cost	Total
Loans from related parties	20,435,082	20,435,082
Loans from shareholders	12,656,448	12,656,448
Other financial liabilities	102,531,037	102,531,037
Trade and other payables	42,944,719	42,944,719
Bank overdraft	5,532,606	5,532,606
Finance lease obligations	371,358	371,358
	184,471,250	**184,471,250**

2015

	Financial liabilities at amortised cost	Total
Loans from related parties	5,992	5,992
Loans from shareholders	16,571,218	16,571,218
Other financial liabilities	12,498,463	12,498,463
Trade and other payables	31,550,661	31,550,661
Bank overdraft	4,841,519	4,841,519
Finance lease obligations	1,386,707	1,386,707
	66,854,560	**66,854,560**

ANNEXURE D: INDEPENDENT REPORTING ACCOUNT'S REPORT ON THE HISTORICAL FINANCIAL INFORMATION OF PARATUS

16 November 2017
The Directors
Nimbus Infrastructure Limited
1 Charles Cathral Street
Olympia
Windhoek
Namibia

Dear Sirs,

INDEPENDENT REPORTING ACCOUNTANT'S AUDIT REPORT ON THE HISTORICAL FINANCIAL INFORMATION OF PARATUS TELECOMMUNICATIONS (PROPRIETARY) LIMITED

Adverse Opinion

Nimbus Infrastructure Limited (" Nimbus") is issuing a circular to its shareholders to be dated on or about 16 November 2017 (the "Circular") regarding the proposed acquisition of 26.5% shareholding in Paratus Telecommunications (Pty) Ltd ("Paratus" or " the Company") ("the Acquisition").

In our opinion, because of the significance of the matter discussed in the Basis for Adverse Opinion section of our report, the accompanying Historical Financial Information does not present fairly the consolidated financial position of the Group as at 28 February 2017 and 29 February 2016, and its consolidated financial performance and its consolidated cash flows for the two years then ended ("Historical Financial Information") in accordance with International Financial Reporting Standards. We are the independent auditors of Paratus.

What we have audited

At your request and solely for the purpose of the Historical Financial Information as set out in Annexure C of the Circular:

- The statements of financial position as at 28 February 2017 and 29 February 2016;
- The statements of profit or loss and other comprehensive income for the two years then ended;
- The statements of changes in equity for the two years then ended;
- The cash flows for the two years then ended; and
- The notes to the Historical Financial Information, which include a summary of significant accounting policies.

Basis for Adverse Opinion

As explained in note 1 of Annexure C of the Circular, the Group has not prepared the consolidated financial statements in accordance with International Financial Reporting Standards. Had the Historical Financial Information been consolidated many elements in the accompanying Historical Financial Information would have been materially affected. The effects of failure of preparation of consolidated financial statements have not been determined.

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Reporting Accountant's responsibilities for the audit of the Historical Financial Information section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our adverse 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 & 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 and in accordance with other ethical requirements applicable to performing audits in Namibia.

Purpose of this report

This report has been prepared for the purpose of the Circular and for no other purpose.

Responsibilities of the Directors for the Historical Financial Information

The Directors are responsible for the preparation and fair presentation of the Historical Financial Information in accordance with International Financial Reporting Standards, and for such internal control as the Directors determine is necessary to enable the preparation of the Historical Financial Information that are free from material misstatement, whether due to fraud or error.

In preparing the Historical Financial Information, 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 have no realistic alternative but to do so.

Reporting Accountant's responsibilities for the audit of Historical Financial Information

Our objectives are to obtain reasonable assurance about whether the Historical Financial Information as a whole are free from material misstatement, whether due to fraud or error, and to issue a reporting accountant'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 the Historical Financial Information.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit.

We also:

- Identify and assess the risks of material misstatement of the Historical Financial Information, 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 Historical Financial Information 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 Historical Financial Information, including the disclosures, and whether the Historical Financial Information represents the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the Historical Financial Information. We are responsible for the direction, supervision and performance of the Company's 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.

Consent

We consent to the inclusion of this report and reference to our opinion in the Circular in the form and context in which it appears.

BDO (Namibia)

Registered Accountants and Auditors
Chartered Accountants (Namibia)
Per: M Nel
Partner
Windhoek

16 November 2017

ANNEXURE E: CONDENSED INTERIM FINANCIAL RESULTS OF PARATUS FOR THE SIX MONTHS ENDED 31 AUGUST 2017

The interim condensed financial information of Paratus for the periods ended 31 August 2017 and 31 August 2016 are set out below.

The Directors of Paratus are responsible for the preparation of the consolidated financial information contained in this interim condensed financial statements.

Commentary related to the financial performance of Paratus has been showed in Section 7 in the Circular.

Statement of Financial Position

Figures in Namibia Dollar	Note(s)	31 August 2017	28 February 2017
Assets			
Non-Current Assets			
Property, plant and equipment	10	74 399 978	60 717 784
Intangible assets	11	22 235 353	23 135 426
Investments in subsidiaries	12	40 416 748	40 416 748
Investment in associate	12	200 000	-
Loans to related parties	13	7 144 961	7 891 348
Finance lease receivables	14	2 450 429	3 028 948
		146 847 468	**135 190 254**
Current Assets			
Inventories	15	29 214 535	22 833 560
Current tax receivable		1 600 094	350 183
Trade and other receivables	16	18 616 098	18 691 156
Loans to related parties	13	28 534 445	27 134 737
Loans to shareholders	17	1 824 260	1 399 408
Cash and cash equivalents	18	17 879	1 354 743
		79 807 312	**71 763 786**
Total Assets		**226 654 780**	**206 954 040**
Equity and Liabilities			
Equity			
Share capital	19	166 660	166 660
Retained earnings		32 422 361	28 319 737
		32 589 021	**28 486 397**
Liabilities			
Non-Current Liabilities			
Loans from related parties	13	3 643 647	4 470 631
Other financial liabilities	20	100 585 058	105 233 870
Finance lease obligation		824 143	1 024 445
Deferred taxation	21	10 500 819	6 011 767
		115 553 667	**116 740 714**
Current Liabilities			
Other financial liabilities	20	10 950 443	8 821 308
Finance lease obligation		352 401	368 764
Trade and other payables	22	42 322 658	36 583 907
Loans from related parties	13	6 484 191	7 204 804
Loans from shareholders	17	1 586 148	3 230 882
Bank overdraft	18	16 816 250	5 517 264
		78 512 092	**61 726 929**
Total Liabilites		**194 065 759**	**178 467 643**
Total Equity and Liabilities		**226 654 780**	**206 954 040**

Statement of Profit or Loss and Other Comprehensive Income

Figures in Namibia Dollar	Note(s)	6 months ended 31 August 2017	6 months ended 31 August 2016 (Not Reviewed)
Revenue	23	132,077,574	115,156,651
Cost of Sales		(63,746,325)	(67,806,149)
Gross profit		**68,331,249**	**47,350,502**
Other Income		160,896	462,065
Operating Expenses		(55,498,255)	(42,928,856)
Profit before investment income and finance costs	24	**12,993,890**	**4,883,711**
Finance Income	25	2,570,144	2,387,514
Finance costs	26	(6,972,358)	(6,882,966)
Profit before taxation		**8,591,676**	**388,259**
Taxation	27	(4,489,052)	(126,493)
Profit for the year		**4,102,624**	**261,766**
Other comprehensive income		-	-
Total comprehensive income		**4,102,624**	**261,766**

Statement of Changes in Equity

Figures in Namibia Dollar

	Share capital	Retained income	Total Equity
Balance at 01 March 2016	**166,660**	**18,308,463**	**18,475,123**
Changes in equity		-	-
Total Comprehensive income for the six months ended 31 August 2016 (not reviewed)		261,766	261,766
Total Changes	-	261,766	261,766
Balance at six months ended 31 August 2016 (Not reviewed)	**166,660**	**18,570,229**	**18,736,889**
Balance at 1 March 2017	**166,660**	**28,319,737**	**28,486,397**
Changes in equity		-	-
Total Comprehensive income for the six months ended 31 August 2017		4,102,624	4,102,624
Total Changes	-	4,102,624	4,102,624
Balance at six months ended 31 August 2017	**166,660**	**32,422,361**	**32,589,021**
Note(s)	19		

Statement of Cash Flows

Figures in Namibia Dollar	Note(s)	6 months ended 31 August 2017	6 months ended 31 August 2016 (Not reviewed)
Cash flows from operating activities			
Cash generated from operations	28	22,066,651	7,324,120
Interest income		2,570,144	2,387,514
Finance cost		(6,972,358)	(6,882,966)
Tax paid		(1,249,915)	-
Net cash from operating activities		**16,414,522**	**2,828,668**
Cash flows from investing activities			
Purchase of property plant and equipment	10	(22,235,843)	(5,948,923)
Sale of property plant and equipment	10	211,919	272,274
Purchase of other intangible assets	11	(398,121)	(654,980)
Loans advanced to group companies		(2,200,918)	(3,018,167)
Purchase of investment in associate		(200,000)	-
Net cash from investing activities		**(24,822,963)**	**(9,349,796)**
Cash flow from financing activities			
(Repayments)/Proceeds from other financial liabilities		(2,519,678)	7,187,984
Repayment of shareholder loans		(2,069,586)	(1,102,330)
Finance lease (payments) receipts		(216,664)	415,869
Finance lease repayment/(granted)		578,519	1,160,191
Net cash from financing activities		**(4,227,409)**	**7,661,714**
Total cash movement for the year		**(12,635,850)**	**1,140,586**
Cash at the beginning of the year		(4,162,522)	(5,416,620)
Total cash at the end of the year	18	**(16,798,372)**	**(4,276,034)**

1. BASIS OF PREPARATION

The condensed interim financial report for the half year reporting period ended 31 August 2017 has been prepared in accordance with the framework concepts and the measurement and recognition requirements of International Financial Reporting Standards ("IFRS"), disclosure as required by IAS 34 Interim Financial Reporting Standards, as amended, and the Namibian Stock Exchange Listings Requirements. The condensed interim financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual report for the year ended 28 February 2017. The accounting policies and methods of computation used in the preparation of this report are consistent with those of the previous period and with those applied in the financial statements for the year ended 28 February 2017.

1.1 Critical judgement in applying the company's accounting policies

In the process of applying the company's accounting policies, the key assumptions made concerning the future and other key sources of estimation uncertainty at the reporting date that could have a significant risk of causing material adjustment to the carrying amounts of the assets and liabilities within the next financial year are:

Allowance for doubtful debts

At each reporting date the company assesses whether their is any objective evidence that debtors are impaired. Accounts are written off when they are irrecoverable.

1.2 Property, plant and equipment

The cost of an item of property, plant and equipment is recognised as an asset when:
- it is probable that future economic benefits associated with the item will flow to the company; and
- the cost of the item can be measured reliably.

Property, plant and equipment is initially measured at cost.

Costs include costs incurred initially to acquire or construct an item of property, plant and equipment and costs incurred subsequently to add to, replace part of, or service it. If a replacement cost is recognised in the carrying amount of an item of property, plant and equipment, the carrying amount of the replaced part is derecognised.

Property, plant and equipment are depreciated on the straight line basis over their expected useful lives to their estimated residual value.

Property, plant and equipment is carried at cost less accumulated depreciation and any impairment losses.

The useful lives of items of property, plant and equipment have been assessed as follows:

Item	Average useful life
Core network assets	5 years
Computer software	3 years
Dedi corporate assets	5 years
IT equipment	5 years
Furniture and fixtures	5 years
Motor vehicles	4 years
Office equipment	5 years
Infrastructure	3 years

The residual value, useful life and depreciation method of each asset are reviewed at the end of each reporting period. If the expectations differ from previous estimates, the change is accounted for as a change in accounting estimate.

The depreciation charge for each period is recognised in profit or loss unless it is included in the carrying amount of another asset.

The gain or loss arising from the derecognition of an item of property, plant and equipment is included in profit or loss when the item is derecognised. The gain or loss arising from the derecognition of an item of property, plant and equipment is determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item.

1.3 Intangible assets

An intangible asset is recognised when:
- it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity; and
- the cost of the asset can be measured reliably.

Intangible assets are initially recognised at cost.

Expenditure on research (or on the research phase of an internal project) is recognised as an expense when it is incurred.

Intangible assets are carried at revalued amount, being fair value at the date of revaluation less any subsequent accumulated amortisation and any subsequent accumulated impairment losses. Revaluations are made with sufficient regularity such that the carrying amount does not differ materially from that which would be determined using fair value at the end of the reporting period.

Any increase in the carrying amount of an intangible asset, as a result of a revaluation, is credited to other comprehensive income and accumulated in the revaluation surplus in equity. The increase is recognised in profit or loss to the extent that it reverses a revaluation decrease of the same asset previously recognised in profit or loss.

Any decrease in the carrying amount of an intangible asset, as a result of a revaluation, is recognised in profit or loss in the current period. The decrease is debited to other comprehensive income to the extent of any credit balance existing in the revaluation surplus in respect of that asset.

The amortisation period and the amortisation method for intangible assets are reviewed every period-end.

Amortisation is provided to write down the intangible assets, on a straight line basis, to their residual values as follows:

Item	Useful life
Patents, trademarks and other rights	25 years

1.4 Investments in subsidiaries

Investments in subsidiaries are carried at cost less any accumulated impairment.

1.5 Financial instruments

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.

Loans and receivables are subsequently measured at amortised cost, using the effective interest method, less accumulated impairment losses.

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

1.5 Financial instruments (continued)

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.

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.

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.

Reversals of impairment losses are recognised in profit or loss except for equity investments classified as available-for-sale.

Impairment losses are also not subsequently reversed for available-for-sale equity investments which are held at cost because fair value was not determinable.

Loans to (from) group companies

These include loans to and from holding companies, fellow subsidiaries, subsidiaries, joint ventures and associates and are recognised initially at fair value plus direct transaction costs.

Loans from group companies are classified as financial liabilities measured at amortised cost.

Trade and other receivables

Trade receivables are stated at fair value of the consideration less allowances for estimated irrecoverable amounts. Appropriate allowances for estimated irrecoverable amounts are recognised in profit or loss when there is objective evidence that the asset is impaired.

Trade and other receivables are classified as loans and receivables.

Trade and other payables

Trade payables are initially measured at fair value, 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.

1.6 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).

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

1.7 Leases

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

Finance leases - lessee

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

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

Operating leases - lessee

Operating lease payments are recognised as an expense on a straight-line basis over the lease term. The difference between the amounts recognised as an expense and the contractual payments are recognised as an operating lease asset. This liability is not discounted.
Any contingent rents are expensed in the period they are incurred.

1.8 Inventories

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

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

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

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

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

1.9 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.

Irrespective of whether there is any indication of impairment, the company also:

- tests intangible assets with an indefinite useful life or intangible assets not yet available for use for impairment annually by comparing its carrying amount with its recoverable amount. This impairment test is performed during the annual period and at the same time every period.
- tests goodwill acquired in a business combination for impairment annually.

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

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

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

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

Goodwill acquired in a business combination is, from the acquisition date, allocated to each of the cash-generating units, or groups of cash-generating units, that are expected to benefit from the synergies of the combination.

An impairment loss is recognised for cash-generating units if the recoverable amount of the unit is less than the carrying amount of the units. The impairment loss is allocated to reduce the carrying amount of the assets of the unit in the following order:

- first, to reduce the carrying amount of any goodwill allocated to the cash-generating unit and
- then, to the other assets of the unit, pro rata on the basis of the carrying amount of each asset in the unit.

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

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

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

1.10 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.

1.11 Employee benefits

Short-term employee benefits

The cost of short-term employee benefits, (those payable within 12 months after the service is rendered, such as paid vacation leave and sick leave, bonuses, and non-monetary benefits such as medical care), are recognised in the period in which the service is rendered and are not discounted.

The expected cost of compensated absences is recognised as an expense as the employees render services that increase their entitlement or, in the case of non-accumulating absences, when the absence occurs.

1.12 Revenue

Revenue from the sale of goods is recognised when all the following conditions have been satisfied:

- the company has transferred to the buyer the significant risks and rewards of ownership of the goods;
- the company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the economic benefits associated with the transaction will flow to the company; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

When the outcome of a transaction involving the rendering of services can be estimated reliably, revenue associated with the transaction is recognised by reference to the stage of completion of the transaction at the end of the reporting period. The outcome of a transaction can be estimated reliably when all the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the economic benefits associated with the transaction will flow to the company;
- the stage of completion of the transaction at the end of the reporting period can be measured reliably; and
- the costs incurred for the transaction and the costs to complete the transaction can be measured reliably.

When the outcome of the transaction involving the rendering of services cannot be estimated reliably, revenue shall be recognised only to the extent of the expenses recognised that are recoverable.

Service revenue is recognised by reference to the stage of completion of the transaction at the end of the reporting period. Stage of completion is determined by services performed to date as a percentage of total services to be performed.

Revenue is measured at the fair value of the consideration received or receivable and represents the amounts receivable for goods and services provided in the normal course of business, net of trade discounts and volume rebates, and value added tax.

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

1.13 Cost of sales

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

The related cost of providing services recognised as revenue in the current period is included in cost of sales.

1.14 Borrowing costs

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

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

The capitalisation of borrowing costs commences when:

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

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

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

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

1.15 Translation of foreign currencies

Foreign currency transactions

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

At the end of the reporting period:

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

Exchange differences arising on the settlement of monetary items or on translating monetary items at rates different from those at which they were translated on initial recognition during the period or in previous annual financial statements are recognised in profit or loss in the period in which they arise.

When a gain or loss on a non-monetary item is recognised to other comprehensive income and accumulated in equity, any exchange component of that gain or loss is recognised to other comprehensive income and accumulated in equity. When a gain or loss on a non-monetary item is recognised in profit or loss, any exchange component of that gain or loss is recognised in profit or loss.

2. NEW STANDARDS AND INTERPRETATIONS

2.1 Standards and interpretations not yet effective

At the date of the authorisation of these financial statements, the following standards and interpretations which may be applicable to the company were in issue but not yet effective.

IFRS 1 First Time Adoption of International Financial Reporting Standards

Annual Improvements 2014-2016 Cycle: Deletion of short-term exemptions that is no longer applicable. Effective for annual periods beginning on or after 1 January 2018.

IFRS 9 Financial Instruments

A finalised 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. Effective for annual periods beginning on or after 1 January 2018.

IAS 39 Financial Instruments

Amendments to permit an entity to elect to continue to apply the hedge accounting requirements in IAS 39 for a fair value hedge of the interest rate exposure of a portion of a portfolio of financial assets or financial liabilities when IFRS 9 is applied, and to extend the fair value option to certain contracts that meet the 'own use' scope exception. Effective date of application is 1 January 2018.

IFRS 12 Disclosure of Interests in Other Entities

Annual Improvements 2014-2016 Cycle: Clarification of the scope of IFRS 12 with respect to interests in entities classified as held for sale in accordance with IFRS 5 Non-current Assets Held for Sale and Discontinued Operations. Effective date of application is 1 January 2017.

IFRS 15 Revenue from Contracts from Customers

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 methodology that is required to be applied to all contracts with customers. Effective for annual periods beginning on or after 1 January 2018.

IFRS 16 Leases

New standard that introduces a single lessee accounting model and requires a lessee to recognize assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. A lessee is required to recognize a right-of-use asset representing its right to use the underlying leased asset and a lease liability representing its obligation to make lease payments. A lessee measures right-of-use assets similarly to other non financial assets (such as property, plant and equipment) and lease liabilities similarly to other financial liabilities. As a consequence, a lease recognize depreciation of the right-of-use asset and interest on the lease liability, and also classifies cash repayments of the lease liability into a principal portion and an interest portion and presents them in the statement of cash flows. Effective for annual periods beginning on or after 1 January 2019.

The directors anticipate that the adoption of these Standards and Interpretations in the future periods will have no material impact on the financial statements of the Company.

3. SIGNIFICANT CHANGES IN THE CURRENT REPORTING PERIOD

Although global markets conditions have effected market confidence and consumer spending patterns, the company remains well placed to grow revenues through ongoing service product innovation. The company has sufficient headroom to enable it to comform to covenants on its existing borrowings and sufficient working capital and undrawn facilities to service its operating activities and ongoing investment in infrastructure.

The financial position and performance of the company was particularly affected by the following events and transactions during the six months to 31 August 2017:

3. SIGNIFICANT CHANGES IN THE CURRENT REPORTING PERIOD (continued)

3.1. Signed an agreement with Botswana Fibre Networks (Pty) Ltd ("BoFiNet") during June 2017 whereby BoFiNet purchased a Dark Fibre Indefeasible Right of Supply (IRS) with unlimited transit capacity from Paratus. The transaction is based on a 20 year IRS on Dark Fibre provided between Ngoma and Sesheke. The value of the contract is approximately 11 million Namibian Dollars. The agreement with BoFiNet also provides Paratus Telecommunications (Pty) Ltd ("Paratus") with broadband transit capacity from Ngoma to Buitepos, which will enable Paratus to sell transit capacity via this route into the rest of Africa. The project is expected to be finalised during November 2017.

3.2. During May 2017 Paratus has renegotiated the company's main borrowing facility, to secure funding for the construction of fibre infrastructure between Swakopmund and Buitepos. The available amount under the overdraft facility was increased from N$7 million to N$10 million and an additional bridging facility of 20 million Namibian Dollars was secured.

3.3. During the 2015 financial year the assets and liabilities of Internet Technologies Namibia (Pty) Ltd ("ITN") was transferred to Paratus Telecommunications (Pty) Ltd. Paratus concluded a transaction with one of the ITN shareholders to acquire the shareholding in ITN for N$5 000 000. It was contractually agreed with the seller that the payment of the purchase consideration is to be paid in installments of N$750 000 per month, with the last payment of N$750 000 due on 31 October 2017. The legal fees of N$75 000 for this transaction is payable to the seller at the end of November 2017. A loss of N$5,408,966 was recognised during the current year, as ITN is no longer an operational company and is in the process to be deregistered.

4. SUBSEQUENT EVENTS

Since the end of the interim reporting period, the company has concluded transactions and agreements as outlined below:

4.1. During September 2017 Paratus has signed an agreement with Botswana Fibre Networks (Pty) Ltd ("BoFiNet") whereby BoFiNet purchased a 20 year Indefeasible Right of Supply (IRS) with transit bandwith. For this Paratus is to invest in fiber infrastructure from the West Africa Cable System (WACS) in Swakopmund to Buitepos (Botswana border). The cost of this project is estimated to be N$68million. The value of the BoFiNet contract is N$61,6 million, will be received in progress payments from September 2017 to April/May 2018. The contract also makes provision for an operational and maintenance portion, will be receivable in two tranches of N$12 457 658 on 1 May 2018 and N$13 828 000 on 1 May 2020. These payments are to be utilised to maintain the line over the contract period.

4.2. During September 2017 Paratus obtained an additional facility of N$15m from Nedbank to fund the construction of the fibre line between Swakopmund and Buitepos. The faclity is to be repaid during May 2018 from the proceeds of the BoFiNet agreement and bears interest at prime plus 1%.

4.3. During October 2017 a loan from Mr Miles October to the value of N$5 079 427 was repaid in full. An agreement was reached between Paratus and Mr Miles for the early settlement of the loan (refer to note 6 for the loan details).

4.4. According to the listing requirements of the NSX, the directors of Nimbus Infrastructure Limited ("Nimbus") should subscribe for at least 5% of the issued share capital of Nimbus, which is classified as a Capital Pool Company. In order to ensure that on the listing date of Nimbus, the directors directly or indirectly hold at least 5% of the issued share capital in Nimbus, a subscription agreement have been concluded whereby Schalk Leipoldt Van Zyl Erasmus has agreed to subscribe for 5% of the total issued share capital of Nimbus. Mr Erasmus has also concluded a nominee agreement with Paratus in terms whereof he will hold the shares subscribed to on the Private Placement as nominee for Paratus. The aforementioned has resulted that Paratus had to subscribe for additional shares to the value of N$5 100 000 during October 2017, which brought the total Paratus shareholding into Nimbus at 5% of the total issued share capital.

In preparation of the proposed acquisition by Nimbus Infrastructure Limited ("Nimbus") of shareholding in Paratus Telecommunications (Pty) Ltd ("Paratus") the following restructuring in Paratus will occur, should the transaction be approved by the shareholders of Nimbus.

4.4.1. Removal of non-core trading subsidiary of which Paratus owns 100%. Paratus is the 100% shareholder of Canocopy (Properiatary) Limited. In an effort to maximise the effective shareholding acquired in Paratus it was agreed that Canocopy should not form part of the proposed transaction.

4.4.2. Inclusion of the property companies as wholly owned subsidiaries of Paratus.

4.4.3. The acquisition of an effective shareholding of 26.5% in Paratus by Nimbus resulting in a capital injection of N$ 75 million in Paratus.

4.5. A performance gaurantee of N$ 3 million was issued by RMB Namibia for the TKF Project during September 2017. The gaurantee will be cancelled on the successful completion of the TKF Project which is expected to occur in May 2018.

5. RELATED PARTIES

Relationships

Shareholder (9% shareholding)	The Blue Bird Trust 5
Shareholder (30% shareholding)	Cuvelai Telecommunications (Pty) Ltd
Shareholder (5% shareholding)	Internet Technologies Namibia (Pty) Ltd
Shareholder (9% shareholding)	The Leo Trust
Shareholder (16% shareholding)	Bartholomeus R Harmse
Shareholder (16% shareholding)	Schalk L. Van Zyl Erasmus
Shareholder (15% shareholding)	Rolf P. K Mendelsohn
Subsidiaries	Paratus Voice Telecommunications (Pty) Ltd
	Canocopy (Pty) Ltd
	Internet Technologies Namibia (Pty) Ltd
Other related parties	Maximum Networks (Pty)Ltd
	ITN Property Two (Pty) Ltd
	Easco Properties CC
	Paratus Telecommunications Ltd Mauritius
	Paratus Telecommunications (Pty) Ltd Zambia
	Internet Technologies (Pty) Ltd Angola
	Paratus Telecommunications (Pty) Ltd Botswana
Directors	Schalk L. Van Zyl Erasmus
	Edward J D'Alton
	Bartholomeus R Harmse
	John Walenga
	Christiaan Bazuin
Key Management Personnel	Werner N Lassen
	Miles October
	Gert Duvenhage

	31 August 2017	28 February 2017
Loan accounts owing (to)/by Related Parties		
Bartholomeus R Harmse	(638,221)	(1,108,114)
Schalk L. Van Zyl Erasmus	401,288	138,176
Rolf P. K Mendelsohn	1,412,664	1,260,333
Maximum Networks (Pty)Ltd	447,873	43,778
ITN Property Two (Pty) Ltd	24,313,573	23,583,066
Cuvelai Telecommunications (Pty) Ltd	(947,927)	(2,122,767)
Easco Properties CC	1,736,829	1,595,809
Werner N Lassen	(548,411)	(1,441,373)
Miles October	(5,079,427)	(5,734,062)
Gert Duvenhage	(4,500,000)	(4,500,000)
Canocopy (Pty) Ltd	7,744,961	7,779,732
Paratus Telecommunications Ltd Mauritius	62,070	-
Paratus Voice Telecommunications (Pty) Ltd	1,333,082	1,312,083
Internet Technologies Namibia (Pty) Ltd	10,308	899
Amounts included in Trade and Other Receivables		
Paratus Telecommunications (Pty) Ltd Zambia	469,117	204,910
Internet Technologies (Pty) Ltd Angola	163,231	16,934
Paratus Telecommunications Ltd Mauritius	6,660,283	5,315,887
Paratus Telecommunications (Pty) Ltd Botswana	709,034	183,715
Maximum Networks (Pty)Ltd	5,961	5,660
Amounts included in Trade and Other Payables		
Paratus Telecommunications Ltd Mauritius	1,186,719	23,910
Paratus Telecommunications (Pty) Ltd Zambia	67,489	4,131

	31 August 2017	28 February 2017
Property, Plant and Equipment purchased from related parties		
Canocopy (Pty) Ltd	-	79,606
Purchases from related parties		
Canocopy (Pty) Ltd	164,760	342,941
Rent paid to related parties		
ITN Property Two (Pty) Ltd	1,512,000	1,512,000
Interest received from related party		
ITN Property Two (Pty) Ltd	1,775,849	1,581,144
Easco Properties CC	124,145	169,670
Canocopy (Pty) Ltd	430,232	-
Paratus Telecommunications (Pty) Ltd - South Africa	9,029	-
Management fees received from related party		
Canocopy (Pty) Ltd	-	174,000

6. DIRECTOR'S EMOLUMENTS

For the six months to 31 August 2017

	Salaries and allowances	Total
Executive Directors	2,215,845	2,215,845

For the six months to 31 August 2016

	Salaries and allowances	Total
Executive Directors	2,023,524	2,023,524

7. FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS

No financial instruments are measured at fair value.

8. GOING CONCERN

The directors believe that the company has adequate financial resources to continue in operation for the foreseeable future and accordingly the interim financial statements have been prepared on the going concern basis.

9. NATURE OF FINANCIAL STATEMENTS

Parartus will remove its investment in its subsidiary, Canocopy (Pty) Ltd once the proposed acquisition by Nimbus Infrastructure Limited is approved by the shareholders. The investment in Canocopy (Pty) Ltd is to be removed by way of a dividend *in specie* to its current shareholders, if the transaction is approved by the shareholders of As a result of the dividend in specie, the financial statements presented at 31 August 2017 represent company financial statements only.

10. Property, plant and equipment

	31 August 2017			28 February 2017		
	Cost / Valuation	Accumulated Depreciation	Carrying Value	Cost / Valuation	Accumulated Depreciation	Carrying Value
Capital Work in Progress	13,535,042		13,535,042	49,385		49,385
Furniture & Fittings	2,593,893	(932,081)	1,661,812	2,483,615	(666,903)	1,816,712
Motor Vehicles	3,017,623	(1,488,860)	1,528,763	2,582,699	(1,139,770)	1,442,929
Office Equipment	7,936,381	(4,743,067)	3,193,314	7,873,109	(3,955,885)	3,917,224
IT Equipment	2,282,468	(963,281)	1,319,187	2,136,167	(721,144)	1,415,023
Customer Equipment	2,421,056	(535,768)	1,885,288	1,430,813	(109,968)	1,320,845
Infrastructure	14,934,323	(1,119,091)	13,815,233	12,656,107	(765,627)	11,890,480
Core Network Assets	61,824,827	(26,825,587)	34,999,240	59,871,862	(21,006,675)	38,865,187
LTE Network Assets	2,587,395	(125,296)	2,462,099	-	-	-
Total	**111,133,008**	**(36,733,031)**	**74,399,978**	**89,083,757**	**(28,365,972)**	**60,717,784**

Reconciliation of property, plant and equipment - 31 August 2017

	Opening Balance	Additions	Disposals	Transfers	Depreciation	Total
Capital Work in Progress	49,385	13,485,657				13,535,042
Furniture & Fittings	1,816,711	110,277			(265,177)	1,661,812
Motor Vehicles	1,442,929	434,924			(349,090)	1,528,763
Office Equipment	3,917,224	63,272			(787,182)	3,193,314
IT Equipment	1,415,023	146,301			(242,137)	1,319,187
Customer Equipment	1,320,845	990,243			(425,800)	1,885,288
Infrastructure	11,890,480	2,435,847	(156,659)		(354,437)	13,815,232
Core Network Assets	38,865,187	1,981,926	(8,411)		(5,839,462)	34,999,240
LTE Network Assets	-	2,587,395			(125,296)	2,462,099
	60,717,784	**22,235,843**	**(165,070)**	**-**	**(8,388,581)**	**74,399,977**

11. Intangible assets

	31 August 2017			28 February 2017		
	Cost / Valuation	Accumulated Depreciation	Carrying Value	Cost / Valuation	Accumulated Depreciation	Carrying Value
Paratus Brand	19,266,200	(2,854,938)	16,411,262	19,266,200	(2,441,415)	16,824,785
Goodwill	1,564,217	-	1,564,217	1,564,217	-	1,564,217
Computer software	4,530,334	(2,200,305)	2,330,029	4,132,213	(1,508,617)	2,623,596
Customer base	2,701,782	(771,937)	1,929,845	2,701,782	(578,953)	2,122,829
Total	**28,062,533**	**(5,827,180)**	**22,235,353**	**27,664,412**	**(4,528,985)**	**23,135,427**

Reconciliation of intangible assets - 31 August 2017

	Opening Balance	Additions	Amortisation	Total
Paratus Brand	16,824,785	-	(413,523)	16,411,262
Goodwill	1,564,217	-	-	1,564,217
Computer software	2,623,596	398,121	(691,688)	2,330,029
Customer base	2,122,829	-	(192,984)	1,929,845
	23,135,427	**398,121**	**(1,298,195)**	**22,235,353**

12. Investment in subsidiaries and associates

Investment in subsidiaries

Name of company	Held by	% voting power 31 August 2017	% voting power 28 February 2017	% holding 31 August 2017	% holding 28 February 2017	31 August 2017	28 February 2017
Paratus Voice Telecommunications (Pty) Ltd	Paratus Telecommunications (Pty) Ltd	100%	100%	100%	100%	100	100
Canocopy (Pty) Ltd	Paratus Telecommunications (Pty) Ltd	100%	100%	100%	100%	40,406,648	40,406,648
Internet Technologies Namibia (Pty) Ltd	Paratus Telecommunications (Pty) Ltd	100%	100%	100%	100%	10,000	10,000
						40,416,748	40,416,748

The carrying amounts of subsidiaries are shown net of impairment losses.

Investment in associate

Nimbus Infrastructure Limited	Paratus Telecommunications (Pty) Ltd	33%		33%		200,000	-
						200,000	-

The investment in Nimbus Infrastructure Limited was made to provide start-up equity for the listing of the company. Subsequent to the successful listing of Nimbus during October 2017, the shareholding in Nimbus has diluted to 5% of the total issued shares. Nimbus Infrastructure Limited was dormant during the 6 months ended 31 August 2017.

Reconciliation of investment in subsidiaries - 31 August 2017

	Opening Balance	Additions	Impairment	Closing Balance
Paratus Voice Telecommunications (Pty) Ltd	100	-	-	100
Canocopy (Pty) Ltd	40,406,648	-	-	40,406,648
Internet Technologies Namibia (Pty) Ltd	10,000	-	-	10,000
	40,416,748	-	-	**40,416,748**

During the 2015 financial year the assets and liabilities of Internet Technologies Namibia (Pty) Ltd ("ITN") was transferred to Paratus Telecommunications (Pty) Ltd ("Paratus"). Paratus concluded a transaction with one of the ITN shareholders to acquire the shareholding in ITN. ITN is in the process to be deregistered.

Reconciliation of investment in subsidiaries - 28 February 2017

	Opening Balance	Additions	Impairment	Closing Balance
Paratus Voice Telecommunications (Pty) Ltd	100	-	-	100
Canocopy (Pty) Ltd	40,406,648	-	-	40,406,648
Internet Technologies Namibia (Pty) Ltd	10,000	-	-	10,000
	40,416,748	-	-	**40,416,748**

Figures in Namibia Dollar	31 August 2017	28 February 2017
13. Loans to / (from) related parties		
Paratus Telecommunications (Pty) Ltd - South Africa (Maximum Networks)	447,873	43,778
The loan is unsecured, bears interest at prime +1% per annum and is repayable in 12 equal monthly installments of N$42,591.		
ITN Property Two (Pty) Ltd	24,313,573	23,583,066
The loan is unsecured, bears interest at prime + 4% per annum and has no fixed terms of repayment.		
Paratus Voice Telecommunications (Pty) Ltd	1,333,082	1,312,083
The loan is unsecured, interest free and has no fixed terms of repayment.		
Paratus Telecommunications Ltd - Mauritius	62,070	-
The loan is unsecured, interest free and has no fixed terms of repayment.		
Miles October	(5,079,427)	(5,734,062)
The loan is unsecured, bears interest at 5% on monthly outstanding balance and is repayable in 60 equal monthly installments of N$132,051.		
Werner N. Lassen	(548,411)	(1,441,373)
The loan is unsecured, interest free and has no fixed terms of repayment.		
Easco Properties	1,736,829	1,595,809
The loan is unsecured, bears interest at prime + 4% and has no fixed terms of repayment.		
Canocopy	7,744,961	8,491,348
The loan is unsecured, bears interest at prime + 0.25% per annum and capital amount is repayable in 156 monthly installments of N$50,000.		
Gert Duvenhage	(4,500,000)	(4,500,000)
The loan is unsecured, bears interest at 8% per year (not compounded) and has no fixed terms of repayment.		
Paratus Telecommunications (Pty) Ltd - Mozambique	41,019	-
The loan is unsecured, interest free and has no fixed terms of repayment.		
	25,551,569	**23,350,649**
Made up as follows:		
Non-current assets	7,144,961	7,891,348
Current assets	28,534,445	27,134,737
	35,679,407	**35,026,084**
Non-current liabilities	(3,643,647)	(4,470,631)
Current liabilities	(6,484,191)	(7,204,804)
	(10,127,838)	**(11,675,436)**
Total loans	**25,551,568.77**	**23,350,648.56**

Figures in Namibia Dollar	31 August 2017	28 February 2017

14. Finance lease receivables

Gross Investment in the lease due		
- within one year	1,446,534	1,534,171
- in second to fifth year inclusive	1,449,090	2,151,506
	2,895,623	3,685,677
Less: Unearned finance income	(445,194)	(656,730)
	2,450,429	**3,028,948**
Present value of minimum lease payments due		
- within one year	1,155,111	1,154,621
- in second to fifth year inclusive	1,295,318	1,874,327
	2,450,429	**3,028,948**

The company entered into finance leasing arrangements for PBX equipment. The average term of finance leases entered into is five (5) years. The interest inherent in the leases is linked to the Namibian prime rate with the average effective interest rate being approximately 15.25% per annum.

15. Inventories

Work in progress	15,383,038	5,281,834
Merchandise	13,831,497	17,551,726
	29,214,535	**22,833,560**

16. Trade and other receivables

Trade receivables	16,969,898	16,295,881
CRAN prepayment	569,507	1,419,767
Deposits	638,102	604,102
Sundry Debtors	215,445	46,656
Other receivables	223,146	324,749
	18,616,098	**18,691,156**

17. Loans to / (from) shareholders

Cuvelai Telecommunications (Pty) Ltd	(947,927)	(2,122,767)
The loan is unsecure, bears interest at prime + 2% per annum and has no fixed terms of repayment.		
Rolf Peter Konrad Mendelsohn	1,412,664	1,260,333
Schalk Leipoldt Van Zyl Erasmus	401,288	138,176
Bartholomeus Roelof Jacobus Harmse	(638,221)	(1,108,114)
Internet Technologies Namibia (Pty) Ltd	10,308	898
The above loans are unsecured, interest free and have no fixed terms of repayment.		
	238,112	**(1,831,474)**
Current assets	1,824,260	1,399,408
Current liabilities	(1,586,148)	(3,230,882)
	238,112	**(1,831,474)**

Figures in Namibia Dollar	31 August 2017	28 February 2017

18. Cash and cash equivalents

Cash and cash equivalents consists of:

Cash on hand	6,754	16,994
Bank balances	(113,516)	1,217,336
Short-term deposits	124,641	120,412
Bank overdraft	(16,816,250)	(5,517,264)
	(16,798,372)	**(4,162,522)**
Current assets	17,879	1,354,743
Current liabilities	(16,816,250)	(5,517,264)
	(16,798,372)	**(4,162,522)**

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

19. Share capital

Authorised		
35,000 Ordinary shares of N$ 5 each	175,000	175,000
Issued		
33,332 Ordinary shares of N$ 5 each	166,660	166,660

20. Other financial liabilities

Bank loan	111,535,501	114,055,178

The loan bears interest at 10.75% (2017: 10.75%) and is repayable in 95 monthly installments of N$ 1,721,848 with final installment due in July 2025.

Non-current liabilities		
At amortised cost	100,585,058	105,233,870
Current liabilities		
At amortised cost	10,950,443	8,821,308

Other financial liabilities are secured as follows:

- Unlimited suretyship by Bartholomeus Roelof Jacobus Harmse.
- Unlimited suretyship by Schalk Leipoldt Van Zyl Erasmus.
- Unlimited suretyship by Rolf Peter Konrad Mendelsohn.
- Unlimited suretyship by John Walenga.
- Unlimited suretyship by Canocopy (Pty) Ltd supported by the cession of debtors.
- Unlimited suretyship by ITN Property Two (Pty) Ltd supported by 1st continuing coverage mortgage bond for N$34,000,000.00 over Erf 348 Prosperita, Windhoek.
- Suretyship for N$9,000,000.00 by Easco Properties CC supported by 1st continuing coverage mortgage bond for N$9,000,000.00 over Erf 232 Prosperita, Windhoek.

Figures in Namibia Dollar	31 August 2017	28 February 2017

21. Deferred tax

Deferred tax asset

Accelerated capital allowances for tax purposes	(10,500,819)	(6,011,767)

Reconcilation of deferred tax asset / (liability)

At beginning of year	(6,011,767)	(2,686,060)
Correction of prior period adjustment	-	922,519
Timing differences:		
Capital allowances	(4,292,593)	(3,853,920)
Prepayments	(1,733,093)	-
Prepaid income	1,284,376	207,770
Work in progress	(3,232,385)	(802,759)
Other timing differences	501,584	473,103
Increase / (decrease) in tax losses available for off set against future taxable income	2,983,059	(272,420)
	(10,500,819)	**(6,011,767)**

22. Trade and other payables

VAT on prepaid Expenses	(812,388)	(740,526)
Trade payables	23,009,758	21,901,570
Amounts received in advance	8,020,460	4,006,783
VAT on prepaid Expenses	812,388	740,526
Value Added Tax	330,148	1,927,683
Provisions	3,319,602	3,130,888
Other payables	102,235	606,232
Accrued expenses	7,540,456	5,010,751
	42,322,658	**36,583,907**

Figures in Namibia Dollar	6 months ended 31 August 2017	6 months ended 31 August 2016 (Not reviewed)

23. Revenue

Rendering of services and sale of goods	132,077,574	115,156,651

24. Profit before investment income and finance costs

Profit before investment income and finance costs for the year is stated after accounting for the following:

Operating lease charges		
Premises		
- Contractual amounts	2,528,341	2,041,505
Equipment		
- Contractual amounts	805	23,956
	2,529,146	**2,065,461**
Profit on sale of property, plant and equipment	212,656	153,202
Profit / (Loss) on exchange difference	(182,969)	250,837
Amortisation on intangible assets	1,298,195	1,048,285
Depreciation on property, plant and equipment	8,388,439	6,597,405
Employee costs	34,823,207	24,098,456

25. Finance income

Interest income		
Other loans	19,300	14,105
Interest received from bank balances	54	6,112
Finance leases	211,536	183,578
Loans to related parties	2,339,254	2,183,719
	2,570,144	**2,387,514**

26. Finance costs

Interest paid	6,972,358	6,882,966

Figures in Namibia Dollar	6 months ended 31 August 2017	6 months ended 31 August 2016 (Not reviewed)

27. Taxation

Major components of the tax expense

Current		
Local income tax - recognised in current tax for prior periods	-	-
Deferred		
Deferred tax	4,489,052	126,493
	4,489,052	**126,493**

Reconciliation of the tax expense

Reconciliation between accounting profit and tax expense.

Accounting (loss)/profit	8,591,676	388,259
Tax at the applicable tax rate of 32% (2016: 32%)	2,749,336	124,243
Tax effect of adjustments on taxable income		
Donations	5,539	-
Permanent differences	1,734,176	2,250
	4,489,052	**126,493**

Income tax expense is recognised based on the income tax rate adjusted for permanent differences. The effective income tax rate is 52% (31 August 2016: 33%). The deviation from the standard income tax rate (32%) is mainly due to the N$5 408 966 loss added back for income tax purposes. (refer to note 3.3)

28. Cash generated from operations

Profit before taxation	8,591,676	388,259
Adjustments for:		
Depreciation and amortisation	9,686,776	7,645,690
Profit/loss on sale of assets	(46,849)	(153,202)
Interest received	(2,570,144)	(2,387,514)
Finance cost	6,972,358	6,882,966
Changes in working capital		
Inventories	(6,380,975)	(6,761,067)
Trade and other receivables	75,058	2,987,569
Trade and other payables	5,738,751	(1,278,581)
	22,066,651	**7,324,120**

ANNEXURE F: INDEPENDENT REPORTING ACCOUNTANT'S REPORT ON THE CONDENSED INTERIM FINANCIAL INFORMATION OF PARATUS

16 November 2017
The Directors
Nimbus Infrastructure Limited
1 Charles Cathral Street
Olympia
Windhoek
Namibia

Dear Sirs,

Independent reporting accountant's report on the review of the Interim Condensed Historical Financial Information

Introduction

Nimbus Infrastructure Limited ("Nimbus") is issuing a circular to its shareholders to be dated on or about 16 November 2017 (the "Circular") regarding the proposed acquisition of 26.5% shareholding in Paratus Telecommunications Pty Ltd ("Paratus" or "the Company") ("the Acquisition").

At your request and for the purpose of the Circular to be dated on or about 16 November 2017, we have reviewed the accompanying interim condensed statement of financial position of Paratus as at 31 August 2017 and the related condensed statements of comprehensive income, changes in equity and cash flows for the six month period then ended ("the Interim Condensed Historical Financial Information"), as presented in Annexure E to the Circular, in compliance with the NSX Limited ("NSX") Listings Requirements.

Directors' responsibility

The directors of Nimbus are responsible for the preparation, contents and presentation of the Circular and are responsible for ensuring that Nimbus complies with the NSX Listings Requirements. The directors of Paratus are responsible for the preparation and presentation of the Interim Condensed Historical Financial Information in accordance with International Accounting Standard 34 "Interim Financial Reporting".

Reporting accountant's responsibility

Our responsibility is to express a conclusion on the Interim Condensed Historical Financial Information based on our review.

Scope of review

We conducted our review in accordance with International Standard on Review Engagements 2400, "Engagements to Review Financial Statements", which applies to a review of historical information. A review of financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Basis for adverse conclusion

As noted in note 9 of Annexure E to the Circular, these financial statements do not reflect the consolidation of the financial statements of subsidiary companies, the investment in which is accounted for on a cost basis. Under International Accounting Standards, the financial statements of the subsidiaries are required to be consolidated.

Conclusion

Based on our review, because of the pervasive effect on the financial statements of the matter discussed in the preceding paragraph, the accompanying Interim Condensed Historical Financial Information of Paratus as set out in Annexure E to the Circular, is not prepared, in all material respects, in accordance with International Accounting Standard 34 "Interim Financial Reporting" and NSX Listings Requirements.

Purpose of this report

This report has been prepared for the purpose of the Circular and for no other purpose.

PricewaterhouseCoopers
Registered Accountants and Auditors
Chartered Accountants (Namibia)
Per: L van der Riet
Partner
Windhoek
16 November 2017

ANNEXURE G: PRO FORMA STATEMENT OF THE FINANCIAL POSITION OF PARATUS AS AT 31 AUGUST 2017

BASIS OF PREPARATION

The Pro Forma Statement of Financial Position of Paratus as at 31 August 2017 ("Pro Forma Statement of Financial Position of Paratus") has been prepared, based on the assumption that the proposed Acquisition had taken place on 31 August 2017, has been prepared for illustrative purposes only and because of its nature may not fairly present Paratus' financial position and changes in equity after the Acquisition.

The Pro Forma Statement of Financial Position of Paratus has been prepared using accounting policies that comply with IFRS and that are consistent with those applied in the reviewed Interim Financial Results of Paratus, as set out in Annexure E.

The Pro Forma Statement of Financial Position of Paratus has been prepared in accordance with the NSX Listing Requirements and the South African Institute of Chartered Accountants Guide on Pro Forma Financial Information (revised and issued in September 2014) and are the responsibility of the Directors.

The Independent Reporting Accountants' report on the Pro Forma Statement of Financial Position of Paratus is set out in Annexure H to this Circular.

The Pro Forma Statement of Financial Position of Paratus as at 31 August 2017 is set out in the following table

		Paratus interim results Column 1 N$	Acquisition of property companies Column 2 N$	Dividend received from ITN Property Two Column 3 N$	Dividend in specie Column 4 N$	Capital injection Column 5 N$	Pro forma Paratus after transactions Column 6 N$
Property, plant and equipment	2	74 399 978					74 399 978
Intangible assets		22 235 353					22 235 353
Investments in subsidiaries	3	40 416 748	23 181 210		(40 406 647)		23 191 310
Investment in associate		200 000					200 000
Loans to related parties	4	7 144 961					7 144 961
Finance lease receivables		2 450 429					2 450 429
Deferred tax		-					-
Non-Current Assets		**146 847 468**	**23 181 210**	**-**	**(40 406 647)**	**-**	**129 622 030**
Inventories		29 214 535					29 214 535
Current tax receivable		1 600 094					1 600 094
Trade and other receivables		18 616 098					18 616 098
Loans to related parties	4	28 534 446		7 984 287			36 518 733
Loans to shareholders	5	1 824 260					1 824 260
Cash and cash equivalents	6	17 879				58 183 750	58 201 629
Current Assets		**79 807 312**	**-**	**7 984 287**	**-**	**58 183 750**	**145 975 349**
Total Assets		**226 654 780**	**23 181 210**	**7 984 287**	**(40 406 647)**	**58 183 750**	**275 597 380**
Share capital		166 660	14 670			47 740	229 070
Share premium		-	23 166 540			74 952 260	98 118 800
Revaluation reserve		-					-
Retained earnings		32 422 361		7 984 287	(40 406 647)		1
Equity		**32 589 021**	**23 181 210**	**7 984 287**	**(40 406 647)**	**75 000 000**	**98 347 870**
Loans from related parties	4	3 643 647					3 643 647
Other financial liabilities		100 585 058					100 585 058
Finance lease obligation		824 143					824 143
Deferred taxation		10 500 819					10 500 819
Non-Current Liabilities		**115 553 667**	**-**	**-**	**-**	**-**	**115 553 667**
Other financial liabilities		10 950 443					10 950 443
Finance lease obligation		352 401					352 401
Trade and other payables		42 322 658					42 322 658
Loans from related parties	4	6 484 191					6 484 191
Loans from shareholders	5	1 586 148					1 586 148
Bank overdraft		16 816 250				(16 816 250)	0
Current Liabilities		**78 512 092**	**-**	**-**	**-**	**(16 816 250)**	**61 695 842**
Total Equity and Liabilites		**226 654 780**	**23 181 210**	**7 984 287**	**(40 406 647)**	**58 183 750**	**275 597 379**
		Note 1	Note 2	Note 3	Note 4	Note 5	
Number of Shares in Issue		35 000	2 934	-	-	9 548	9 548
Net Asset Value per Share		931.11	-	-	-	-	10 300.36
Net Tangible Asset Value per Share		295.82	-	-	-	-	7 971.57

Notes and assumptions:

The pro forma financial statements for the period ended 31 August 2017 incorporates three transactions as outlined below

1. Column 1 represents the unconsolidated statement of financial position of Paratus as at 31 August 2017, which has been extracted without adjustment, from the reviewed condensed interim financial information of Paratus as set out in Annexure G of the Cirucular.

2. Column 2 represents the acquisition by Paratus of Easco Properties CC (subsequently converted to a company) and ITN Property Two (Pty) Ltd at their respective net book values of N$8,808,206 and N$14,373,004 as at 31 August 2017. The acquisition of the two property companies is to be funded through the issuance of Paratus Shares of equal value to the shareholders of the two property companies by issuing 2 934 ordinary shares with a par value of N$5 and a premium of N$7 895.89.

3. Column 3 represents the dividend to be declared from ITN Property Two (Pty) Ltd, should reserves be required to facilitate the dividend in specie declaration.

4. Column 4 represents a dividend in specie paid by Paratus to its current shareholders (prior to the proposed Acquisition). The dividend is to consist of the declaration of 100% of the issued shares in Canocopy (Pty) Ltd to the current shareholders in Paratus.

5. Column 5 represents the subscription to 9 548 ordinary shares with a par value of N$5 in Paratus at a premium of N$7,850 per share by Nimbus Infrastructure Limited, to inject capital in the amount of N$75 000 000 into Paratus.

ANNEXURE H: INDEPENDENT REPORTING ACCOUNTANT'S REPORT ON THE PRO FORMA STATEMENT OF FINANCIAL POSITION OF PARATUS

16 November 2017
The Directors
Nimbus Infrastructure Limited
1 Charles Cathral Street
Olympia
Windhoek
Namibia

Dear Sirs,

Independent reporting accountant's assurance report on the compilation of Pro Forma Financial Information of Paratus Telecommunications (Pty) Ltd

Introduction

Nimbus Infrastructure Limited ("Nimbus") is issuing a circular to its shareholders to be dated on or about 16 November 2017 (the "Circular") regarding the proposed acquisition of 26.5% shareholding in Paratus Telecommunications Pty Ltd ("Paratus" or "the Company") ("the Acquisition"). Prior to the Acquisition Paratus is restructuring by the removal of a non-core trading subsidiary by dividend in specie and the acquisition of two property companies as wholly owned subsidiaries (collectively referred to as "the Proposed Transaction").

At your request and for the purposes of the Circular to be dated on or about 16 November 2017, we present our assurance report on the compilation of the pro forma financial information of Paratus Telecommunications (Pty) Ltd by the directors. The pro forma financial information, presented in Annexure G to the Circular, consists of the pro forma statement of financial position as at 31 August 2017 and the pro forma financial effects (the "Pro Forma Financial Information"). The Pro Forma Financial Information has been compiled on the basis of the applicable criteria specified in the Namibia Stock Exchange ("NSX") Listings Requirements.

The Pro Forma Financial Information has been compiled by the directors to illustrate the impact of the Proposed Transaction on the Company's reported financial position as at 31 August 2017, as if the Proposed Transaction had taken place at 31 August 2017. As part of this process, information about the Company's financial position has been extracted by the directors from the Company's condensed interim financial information for the period ended 31 August 2017, on which a review report has been published.

Directors' responsibility

The directors of Nimbus Infrastructure Ltd are responsible for the compilation, contents and presentation of the Pro Forma Financial Information on the basis of the applicable criteria specified in the NSX Listings Requirements and described in the Circular. The directors of the Company are also responsible for the financial information from which it has been prepared.

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 & 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 and in accordance with other ethical requirements applicable to performing audits in Namibia.

The firm applies International Standard on Quality Control 1 and, accordingly, maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Reporting accountant's responsibility

Our responsibility is to express an opinion about whether the Pro Forma Financial Information has been compiled, in all material respects, by the directors on the basis specified in the NSX Listings Requirements based on our procedures performed. We conducted our engagement in accordance with the International Standard on Assurance Engagements (ISAE) 3420, Assurance Engagements to Report on the Compilation of Pro Forma Financial Information Included in a Prospectus. This standard requires that we plan and perform our procedures to obtain reasonable assurance about whether the Pro Forma Financial Information has been compiled, in all material respects, on the basis specified in the NSX Listings Requirements.

For purposes of this engagement, we are not responsible for updating or reissuing any reports or opinions on any historical financial information used in compiling the Pro Forma Financial Information, nor have we, in the course of this engagement, performed an audit or review of the financial information used in compiling the Pro Forma Financial Information.

As the purpose of Pro Forma Financial Information included in a circular is solely to illustrate the impact of a significant corporate action or event on unadjusted financial information of the entity as if the corporate action or event had occurred or had been undertaken at an earlier date selected for purposes of the illustration, we do not provide any assurance that the actual outcome of the event or transaction would have been as presented.

A reasonable assurance engagement to report on whether the Pro Forma Financial Information has been compiled, in all material respects, on the basis of the applicable criteria involves performing procedures to assess whether the applicable criteria used in the compilation of the Pro Forma Financial Information provides a reasonable basis for presenting the significant effects directly attributable to the corporate action or event, and to obtain sufficient appropriate evidence about whether:

- The related pro forma adjustments give appropriate effect to those criteria; and
- The Pro Forma Financial Information reflects the proper application of those adjustments to the unadjusted financial information.

Our procedures selected depend on our judgment, having regard to our understanding of the nature of the company, the corporate action or event in respect of which the Pro Forma Financial Information has been compiled, and other relevant engagement circumstances.

Our engagement also involves evaluating the overall presentation of the Pro Forma Financial Information.

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

Opinion

In our opinion, the Pro Forma Financial Information has been compiled, in all material respects, on the basis of the applicable criteria specified by the NSX Listings Requirements and described in the Circular.

PricewaterhouseCoopers
Registered Accountants and Auditors
Chartered Accountants (Namibia)
Per: Louis van der Riet
Partner
Windhoek, Namibia
16 November 2017

ANNEXURE I: REPORT OF HISTORICAL FINANCIAL INFORMATION OF ITN PROPERTY TWO

ITN Property Two was initially incorporated in Namibia in 2004 as a private company with limited liability, with Registration Number 2004/410. The company is engaged in to carry business in property investments and all related matter and operates principally in Namibia.

Commentary relating to the details of the underinlying investment property within ITN Property Two is set out in Annexure O to the Circular.

Statement of Financial Position

Figures in Namibia Dollar	Note(s)	28 February 2017	30 June 2016	30 June 2015
Assets				
Non-Current Assets				
Investment property	2	36,300,000	34,400,000	11,139,921
Property, plant and equipment	3	680,424	808,971	12,113
Deferred tax	4	1,250,468	1,034,199	672,301
		38,230,892	**36,243,170**	**11,824,335**
Current Assets				
Trade and other receivables	5	2,588,344	2,466,056	732,534
Cash and cash equivalents		1,801	4,281	-
		2,590,145	**2,470,337**	**732,534**
Total Assets		**40,821,037**	**38,713,507**	**12,556,869**
Equity and Liabilities				
Equity				
Share capital	6	100	100	100
Reserves		4,254,043	4,254,043	4,254,043
Retained income		11,237,743	9,797,314	913,733
		15,491,886	**14,051,457**	**5,167,876**
Liabilities				
Current Liabilities				
Loans from group companies	7	24,165,249	23,498,148	4,851,919
Loans from shareholders	8	1,163,902	1,163,902	1,163,902
Trade and other payables	9	-	-	1,373,172
		25,329,151	**24,662,050**	**7,388,993**
Total Equity and Liabilities		**40,821,037**	**38,713,507**	**12,556,869**

Statement of Profit or Loss and Other Comprehensive Income

Figures in Namibia Dollar	Note(s)	8 months ended 28 February 2017	12 months ended 30 June 2016	12 months ended 30 June 2015
Revenue	10	2,017,391	2,017,391	-
Operating expenses		(495,884)	(606,261)	(109,407)
Profit before investment income and finance costs		**1,521,507**	**1,411,130**	**(109,407)**
Fair value adjustments		1,900,000	9,723,504	-
Finance costs	11	(2,197,347)	(2,612,951)	(286)
Profit (loss) before taxation		**1,224,160**	**8,521,683**	**(109,693)**
Taxation	12	216,269	361,898	672,301
Profit for the 8 months		**1,440,429**	**8,883,581**	**562,608**
Other comprehensive income		-	-	-
Total comprehensive income		**1,440,429**	**8,883,581**	**562,608**

Statement of Changes in Equity

Figures in Namibia Dollar	Share capital	Revaluation reserve	Retained income	Total equity
Balance at 01 July 2014	**100**	**4,254,043**	**351,125**	**4,605,268**
Changes in equity				
Total comprehensive income for the year	-	-	562,608	562,608
Balance at 01 July 2015	**100**	**4,254,043**	**913,733**	**5,167,876**
Changes in equity				
Total comprehensive income	-	-	8,883,581	8,883,581
Total changes	-	-	8,883,581	8,883,581
Balance at 1 July 2016	**100**	**4,254,043**	**9,797,314**	**14,051,457**
Changes in equity				
Total comprehensive income for the 8 months	-	-	1,440,429	1,440,429
Total changes	-	-	1,440,429	1,440,429
Balance at 28 February 2017	**100**	**4,254,043**	**11,237,743**	**15,491,886**
Note(s)	6			

Statement of Cash Flows

Figures in Namibia Dollar	Note(s)	8 months ended 28 February 2017	12 months ended 30 June 2016	12 months ended 30 June 2015
Cash flows from operating activities				
Cash generated from operations	13	1,527,766	(1,541,063)	580,148
Finance costs		(2,197,347)	(2,612,951)	(286)
Net cash from operating activities		**(669,581)**	**(4,154,014)**	**579,862**
Cash flows from investing activities				
Purchase of property, plant and equipment	3	-	(951,356)	(12,750)
Purchase of investment property	2	-	(13,536,578)	(4,719,551)
Proceeds from loans from group companies		667,101	18,646,229	4,152,439
Net cash from investing activities		**667,101**	**4,158,295**	**(579,862)**
Total cash movement for the 8 months		**(2,480)**	**4,281**	**-**
Cash at the beginning of the 8 months		4,281	-	-
Total cash at end of the 8 months		**1,801**	**4,281**	**-**

Accounting Policies

1. Presentation of Historical Financial Information

The historical financial information have been prepared in accordance with International Financial Reporting Standards for Small and Medium Sized Entities (IFRS for SME's). There were no material differences between the previous framework (NAC001) and the new basis for accounting. The historical financial information have been prepared on the historical cost basis, and incorporate the principal accounting policies set out below. They are presented in Namibia Dollars.

These accounting policies are consistent with the previous period.

1.1 Investment property

Investment property is property held to earn rentals or for capital appreciation or both, rather than for use in the production or supply of goods or services or for administrative purposes; or sale in the ordinary course of business.

Investment property is initially recognised at cost.

Costs include costs incurred initially and costs incurred subsequently to add to, or to replace a part of, or service a property. If a replacement part is recognised in the carrying amount of the investment property, the carrying amount of the replaced part is derecognised.

After initial recognition, investment property whose fair value can be measured reliably without undue cost or effort shall be measured at fair value at each reporting period with changes in fair value recognised in profit or loss.

1.2 Financial instruments

Financial instruments at amortised cost

Financial instruments may be designated to be measured at amortised cost less any impairment using the effective interest method. These include trade and other receivables, loans and trade and other payables. At the end of each reporting period date, the carrying amounts of assets held in this category are reviewed to determine whether there is any objective evidence of impairment. If so, an impairment loss is recognised.

Financial instruments at cost

Equity instruments that are not publicly traded and whose fair value cannot otherwise be measured reliably are measured at cost less impairment. This includes equity instruments held in unlisted investments

Financial instruments at fair value

All other financial instruments are measured at fair value through profit and loss.

1.3 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.

The tax liability reflects the affect of the possible outcomes of a review by the tax authorities.

1.3 Tax (continued)

Deferred tax assets and liabilities

A deferred tax liability is recognised for all taxable temporary differences.

A deferred tax asset is recognised for all deductible temporary differences.

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 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.

1.4 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.

Irrespective of whether there is any indication of impairment, the company also:

- tests intangible assets with an indefinite useful life or intangible assets not yet available for use for impairment annually by comparing its carrying amount with its recoverable amount. This impairment test is performed during the annual period and at the same time every period.

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.

If an impairment loss subsequently reverses, the carrying amount of the asset (or group of related assets) is increased to the revised estimate of its recoverable amount (selling price less costs to complete and sell, in the case of inventories), but not in excess of the amount that would have been determined had no impairment loss been recognised for the asset (or group of assets) in prior years. A reversal of impairment is recognised immediately in profit or loss.

1.5 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.

1.6 Revenue

Revenue, which excludes value-added tax, comprises of the net invoiced value of rentals due under lease contracts in respect of property letting activities.

Revenue is measured at the fair value of the consideration received or receivable and represents the amounts receivable for goods and services provided in the normal course of business, net of trade discounts and volume rebates, and value added tax.

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

1.7 Borrowing costs

Borrowing costs are recognised as an expense in the period in which they are incurred.

2. Investment property

	2017			2016		
	Cost / Valuation	Accumulated depreciation	Carrying value	Cost / Valuation	Accumulated depreciation	Carrying value
Investment property	36,300,000	-	36,300,000	34,400,000	-	34,400,000

	2015		
	Cost / Valuation	Accumulated depreciation	Carrying value
Investment property	11,139,921	-	11,139,921

Reconciliation of investment property - 2017

	Opening balance	Fair value adjustments	Total
Investment property	34,400,000	1,900,000	36,300,000

Reconciliation of investment property - 2016

	Opening balance	Additions	Fair value adjustments	Total
Investment property	11,139,921	13,536,578	9,723,501	34,400,000

Reconciliation of investment property - 2015

	Opening balance	Additions	Total
Investment property	6,420,370	4,719,551	11,139,921

Details of property

Erf 348, Prosperita, Windhoek, measuring 2,638 square metres.

Details of valuation

The effective date of the revaluation was 8 February 2017. The revaluation was performed by an independent valuer, P.J.J Wilders [National Diploma Property Valuations(Tech SA)], of Pierewiet Wilders Valuations. Pierewiet Wilders Valuations are not connected to the company and have recent experience in location and category of the investment property valued.

The valuation was based on open market value for existing use.

3. Property, plant and equipment

	2017			2016		
	Cost / Valuation	Accumulated depreciation	Carrying value	Cost / Valuation	Accumulated depreciation	Carrying value
Furniture and fixtures	17,213	(4,016)	13,197	17,213	(1,721)	15,492
Office equipment	946,893	(279,666)	667,227	946,893	(153,414)	793,479
Total	**964,106**	**(283,682)**	**680,424**	**964,106**	**(155,135)**	**808,971**

	2015		
	Cost / Valuation	Accumulated depreciation	Carrying value
Furniture and fixtures	-	-	-
Office equipment	12,750	(637)	12,113
Total	**12,750**	**(637)**	**12,113**

Reconciliation of property, plant and equipment - 2017

	Opening balance	Depreciation	Total
Furniture and fixtures	15,492	(2,295)	13,197
Office equipment	793,479	(126,252)	667,227
	808,971	**(128,547)**	**680,424**

Reconciliation of property, plant and equipment - 2016

	Opening balance	Additions	Depreciation	Total
Furniture and fixtures	-	17,213	(1,721)	15,492
Office equipment	12,113	934,143	(152,777)	793,479
	12,113	**951,356**	**(154,498)**	**808,971**

Reconciliation of property, plant and equipment - 2015

	Opening balance	Additions	Depreciation	Total
Office equipment	-	12,750	(637)	12,113

4. Deferred tax

Deferred tax asset

	2017	2016	2015
Accelerated capital allowances for tax purposes	1,034,199	669,917	633,718
Current year timing differences	(303,322)	(1,261,495)	1,192
Utilisation of tax loss	519,591	1,646,077	37,391
Tax rate change	-	(20,300)	-
	1,250,468	**1,034,199**	**672,301**

Notes to the Historical Financial Information

Figures in Namibia Dollar	2017	2016	2015

5. Trade and other receivables

Trade receivables	123,987	-	-
Deposits	10,358	10,358	2,530
Value Added Tax	2,453,999	2,455,698	730,004
	2,588,344	**2,466,056**	**732,534**

6. Share capital

Authorised

4,000 Ordinary shares of N$1.00 each	4,000	4,000	4,000

Issued

100 Ordinary shares of N$1.00 each	100	100	100

7. Loans from group companies

Related parties

Paratus Telecommunications (Pty) Ltd	(23,583,066)	(22,915,965)	(4,269,736)
The above loan is unsecured, interest is charged at prime rate plus 4% and has no fixed terms of repayment, other than not being repayable within the next 12 months.			
Cuvelai Telecommunications (Pty) Ltd	(582,183)	(582,183)	(582,183)
The above loan is unsecured, interest free and has no fixed terms of repayment, other then not being repayable within the next 12 months.			
	(24,165,249)	**(23,498,148)**	**(4,851,919)**

8. Loans from shareholders

Bartholomeus Roelof Harmse	(384,088)	(384,088)	(384,088)
Schalk Leipoldt Van Zyl Erasmus	(384,088)	(384,088)	(384,088)
Rolf Peter Konrad Mendelsohn	(395,726)	(395,726)	(395,726)
	(1,163,902)	**(1,163,902)**	**(1,163,902)**

The above loans are unsecured, interest free and has no fixed terms of repayment, other than not being repayable witin the next 12 months.

9. Trade and other payables

Trade payables	-	-	1,373,172

Figures in Namibia Dollar	2017	2016	2015

10. Revenue

Rental Income	2,017,391	2,017,391	-

11. Finance costs

Group companies	2,197,347	2,612,951	-
Interest paid - Creditors	-	-	286
	2,197,347	**2,612,951**	**286**

12. Taxation

Major components of the tax income

Deferred			
Deferred tax	(216,269)	(361,898)	(672,301)

13. Cash generated from operations

Profit before taxation	1,224,160	8,521,683	(109,693)
Adjustments for:			
Depreciation and amortisation	128,547	154,497	637
Finance costs	2,197,347	2,612,951	286
Fair value adjustments	(1,900,000)	(9,723,504)	-
Changes in working capital:			
Trade and other receivables	(122,288)	(1,733,518)	(684,254)
Trade and other payables	-	(1,373,172)	1,373,172
	1,527,766	**(1,541,063)**	**580,148**

14. Commitments

Authorised capital expenditure

Already contracted for but not provided for			
• Investment property	-	-	15,860,079

This committed expenditure relates to the construction of the building and will be financed by available bank facilities and loans from group companies.

Figures in Namibia Dollar	2017	2016	2015

15. Related parties

Relationships

Related by common shareholding	Cuvelai Telecommunications (Pty) Ltd
	Paratus Telecommunications (Pty) Ltd
Shareholders	Bartholomeus Roelof Harmse
	Schalk Leipoldt van Zyl Erasmus
	Rolf Peter Konrad Mendelsohn

Related party balances

Loan accounts - Owing to related parties			
Cuvelai Telecommuncations (Pty) Ltd	(582,183)	(582,183)	(582,183)
Paratus Telecommunications (Pty) Ltd	(23,583,066)	(22,915,965)	(4,269,736)
Bartholomeus Roelof Harmse	(395,726)	(395,726)	(395,726)
Schalk Leipoldt van Zyl Erasmus	(384,088)	(384,088)	(384,088)
Rolf Peter Konrad Mendelsohn	(384,088)	(384,088)	(384,088)

ANNEXURE J: INDEPENDENT REPORTING ACCOUNT'S REPORT ON THE ANNUAL FINANCIAL INFORMATION OF ITN PROPERTY TWO

16 November 2017
The Directors
Nimbus Infrastructure Limited
1 Charles Cathral Street
Olympia
Windhoek
Namibia

Dear Sirs,

INDEPENDENT REPORTING ACCOUNTANT'S AUDIT REPORT ON THE HISTORICAL FINANCIAL INFORMATION OF ITN PROPERTY TWO (PROPRIETARY) LIMITED ("ITN PROPERTY TWO")

Opinion

Nimbus Infrastructure Limited (" Nimbus") is issuing a circular to its shareholders to be dated on or about 16 November 2017 (the "Circular") regarding the proposed acquisition of 26.5% shareholding in Paratus Telecommunications (Pty) Ltd ("Paratus" or " the Company") ("the Acquisition").

In our opinion, the Historical Financial Information presents fairly, in all material respects, the financial position of ITN Property Two as at 28 February 2017 and 29 February 2016, and its financial performance and its cash flows for the period ended 28 February 2017 and the year ended 29 February 2016 ("Historical Financial Information") in accordance with International Financial Reporting Standards. We are the independent auditors of ITN Property Two.

What we have audited

At your request and solely for the purpose of the Historical Financial Information as set out in Annexure I of the Circular:

- The statements of financial position as at 28 February 2017 and 29 February 2016;
- The statements of profit or loss and other comprehensive income for the period ended 28 February 2017 and the year ended 29 February 2016;
- The statements of changes in equity for the period ended 28 February 2017 and the year ended 29 February 2016;
- The cash flows for the period ended 28 February 2017 and the year ended 29 February 2016; and
- The notes to the Historical Financial Information, 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 Reporting Accountant's responsibilities for the audit of the Historical Financial Information 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 & 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 and in accordance with other ethical requirements applicable to performing audits in Namibia.

Purpose of this report

This report has been prepared for the purpose of the Circular and for no other purpose.

Responsibilities of the Directors for the Historical Financial Information

The Directors are responsible for the preparation and fair presentation of the Historical Financial Information in accordance with International Financial Reporting Standards, and for such internal control as the Directors determine is necessary to enable the preparation of the Historical Financial Information that are free from material misstatement, whether due to fraud or error.

In preparing the Historical Financial Information, 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 have no realistic alternative but to do so.

Reporting Accountant's responsibilities for the audit of Historical Financial Information

Our objectives are to obtain reasonable assurance about whether the Historical Financial Information as a whole are free from material misstatement, whether due to fraud or error, and to issue a reporting accountant'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 the Historical Financial Information.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit.

We also:

- Identify and assess the risks of material misstatement of the Historical Financial Information, 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 Historical Financial Information 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 Historical Financial Information, including the disclosures, and whether the Historical Financial Information represents the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the Historical Financial Information. We are responsible for the direction, supervision and performance of the Company’s 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.

Consent

We consent to the inclusion of this report and reference to our opinion in the Circular in the form and context in which it appears.

BDO (Namibia)

Registered Accountants and Auditors
Chartered Accountants (Namibia)
Per: M Nel
Partner
Windhoek

16 November 2017

ANNEXURE K: REPORT OF INTERIM FINANCIAL INFORMATION OF ITN PROPERTY TWO

The interim financial information of ITN Property Two for the periods ended 31 August 2017 and 31 August 2016 are set out below.

The Directors of ITN Property Two are responsible for the preparation of the financial information contained in this interim financial statements.

Commentary relating to the details of the underinlying investment property within ITN Property Two is set out in Annexure O to the Circular.

Statement of Financial Position

Figures in Namibia Dollar	Note(s)	31 August 2017	28 February 2017 Not reviewed
Assets			
Non-Current Assets			
Investment property	3	36,300,000	36,300,000
Property, plant and equipment	4	584,013	680,424
Deferred tax	5	959,181	1,250,468
		37,843,194	**38,230,892**
Current Assets			
Trade and other receivables	6	2,586,900	2,588,344
Cash and cash equivalents		3,201	1,801
		2,590,101	**2,590,145**
Total Assets		**40,433,295**	**40,821,037**
Equity and Liabilities			
Equity			
Share capital	7	100	100
Reserves		4,254,043	4,254,043
Retained income		10,118,861	11,237,743
		14,373,004	**15,491,886**
Liabilities			
Current Liabilities			
Loans from group companies	8	24,896,389	24,165,249
Loans from shareholders	9	1,163,902	1,163,902
		26,060,291	**25,329,151**
Total Equity and Liabilities		**40,433,295**	**40,821,037**

Statement of Comprehensive Income

Figures in Namibia Dollar	Note(s)	6 months ended 31August 2017	6 months ended 31 August 2016 Not reviewed
Revenue	10	1,513,043	1,513,043
Operating expenses		(482,112)	(150,004)
Profit before investment income and finance costs		**1,030,931**	**1,363,039**
Fair value adjustments		-	9,723,504
Finance costs	11	(1,858,526)	(1,581,147)
(Loss) / Profit before taxation		**(827,595)**	**9,505,396**
Taxation	12	(291,287)	50,564
(Loss) / Profit for the period		**(1,118,882)**	**9,555,960**
Other comprehensive income		-	-
Total comprehensive (loss) / income for the period		**(1,118,882)**	**9,555,960**

Statement of Changes in Equity

Figures in Namibia Dollar	Share capital	Revaluation reserve	Retained income	Total equity
Balance at 01 March 2016	**100**	**4,254,043**	**153,297**	**4,407,440**
Changes in equity				
Total comprehensive income for the 6 months	-	-	9,550,960	9,550,960
Total changes	-	-	9,550,960	9,550,960
Balance at 31 August 2016	**100**	**4,254,043**	**9,704,257**	**13,958,400**
Balance at 01 March 2017	**100**	**4,254,043**	**11,237,743**	**15,491,886**
Changes in equity				
Total comprehensive loss for the 6 months	-	-	(1,118,882)	(1,118,882)
Total changes	-	-	(1,118,882)	(1,118,882)
Balance at 31 August 2017	**100**	**4,254,043**	**10,118,861**	**14,373,001**
Note(s)	7			

Statement Of Cash Flows

Figures in Namibia Dollar	Note(s)	6 months ended 31 August 2017	6 months ended 31 August 2016 Not reviewed
Cash flows from operating activities			
Cash generated from (used in) operations	13	1,128,786	(453,688)
Finance costs		(1,858,526)	(1,581,147)
Net cash from operating activities		**(729,740)**	**(2,034,835)**
Cash flows from investing activities			
Purchase of property, plant and equipment	4	-	-
Purchase of investment property	3	-	-
Proceeds from loans from group companies		731,140	2,038,437
Net cash from investing activities		**731,140**	**2,038,437**
Total cash movement for the period		**1,400**	**3,602**
Cash at the beginning of the period		1,801	-
Total cash at end of the period		**3,201**	**3,602**

Accounting Policies

1. Basis of preparation of interim report

The interim financial statements have been prepared in accordance with International Financial Reporting Standards for Small and Medium-sized Entities (IFRS for SMEs). There were no material differences between the previous framework (NAC001) and the new basis of accounting. They are presented in Namibian Dollar.

These accounting policies are consistent with the previous financial period and corresponding interim reporting period.

2.1 Investment property

Investment property is property held to earn rentals or for capital appreciation or both, rather than for use in the production or supply of goods or services or for administrative purposes; or sale in the ordinary course of business.

Investment property is initially recognised at cost.

Costs include costs incurred initially to acquire or construct an investment property and costs incurred subsequently to add to, replace part of, or service it. If a replacement cost is recognised in the carrying amount of an item of investment property, the carrying amount of the replaced item is derecognised.

After initial recognition, investment property whose fair value can be measured reliably without undue cost or effort shall be measured at fair value at each reporting period with changes in fair value recognised in profit or loss.

2.2 Financial instruments

Financial instruments at amortised cost

Financial instruments may be designated to be measured at amortised cost less any impairment using the effective interest method. These include trade and other receivables, loans and trade and other payables. At the end of each reporting period date, the carrying amounts of assets held in this category are reviewed to determine whether there is any objective evidence of impairment. If so, an impairment loss is recognised.

Financial instruments at cost

Equity instruments that are not publicly traded and whose fair value cannot otherwise be measured reliably are measured at cost less impairment. This includes equity instruments held in unlisted investments.

Financial instruments at fair value

All other financial instruments are measured at fair value through profit and loss.

Financial liabilities

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

2.3 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 reporting period date. The tax liability reflects the affect of the possible outcomes of a review by the tax authorities. Deferred tax assets and liabilities

A deferred tax liability is recognised for all taxable temporary differences.

A deferred tax asset is recognised for all deductible temporary differences.

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 reporting period date.

Tax expenses

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 to equity.

2.4 Impairment of assets

The company assesses at each reporting period date 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.

Irrespective of whether there is any indication of impairment, the company also:

- tests goodwill, with an indefinite useful life or intangible assets not yet available for use for impairment annually by comparing its carrying amount with its recoverable amount. This impairment test is performed during the annual period and at the same time every period.

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.

If an impairment loss subsequently reverses, the carrying amount of the asset (or group of related assets) is increased to the revised estimate of its recoverable amount (selling price less costs to complete and sell, in the case of inventories), but not in excess of the amount that would have been determined had no impairment loss been recognised for the asset (or group of assets) in prior years. A reversal of impairment is recognised immediately in profit or loss.

2.5 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.

2.6 Revenue

Revenue, which excludes value-added tax, comprises of the net invoiced value of rentals due under lease contracts in respect of property letting activities.

Revenue is measured at the fair value of the consideration received or receivable and represents the amounts receivable for goods and services provided in the normal course of business, net of trade discounts and volume rebates, and value added tax.

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

2.7 Borrowing costs

Borrowing costs are recognised as an expense in the period in which they are incurred.

3. Investment property

Reconciliation of investment property - 31 August 2017

	Opening balance	Fair value adjustments	Total
Investment property	36,300,000	-	36,300,000

Reconciliation of investment property - 28 February 2017

	Opening balance	Fair value adjustments	Total
Investment property	34,400,000	1,900,000	36,300,000

Erf 348, Prosperita, Windhoek, measuring 2,638 square metres.

Details of valuation

The effective date of the revaluations was 8 February 2017. Revaluations were performed by an independent valuer, P.J.J Wilders [National Diploma Property Valuations(Tech SA)], of Pierewiet Wilders Valuations. Pierewiet Wilders Valuations is not connected to the company and have recent experience in location and category of the investment property being valued. The valuation was based on open market value for existing use.

For the purposes of the interim financial statements, the directors have decided to remain with the property value as determined by the valuator during February 2017.

4. Property, plant and equipment

	31 August 2017			28 February 2017		
	Cost / Valuation	Accumulated depreciation	Carrying value	Cost / Valuation	Accumulated depreciation	Carrying value
Furniture and fixtures	17,213	(5,738)	11,475	17,213	(4,016)	13,197
Office equipment	946,893	(374,355)	572,538	946,893	(279,666)	667,227
Total	**964,106**	**(283,682)**	**584,013**	**964,106**	**(283,682)**	**680,424**

5. Property, plant and equipment (continued)

Reconciliation of property, plant and equipment - 31 August 2017

	Opening balance	Depreciation	Total
Furniture and fixtures	13,197	(1,722)	11,475
Office equipment	667,227	(94,689)	572,538
	680,424	**(96,411)**	**584,013**

Reconciliation of property, plant and equipment - 28 February 2017

	Opening balance	Depreciation	Total
Furniture and fixtures	15,492	(2,295)	13,197
Office equipment	793,479	(126,252)	667,227
	808,971	**(128,547)**	**680,424**

Figures in Namibia Dollar	31 August 2017	28 February 2017 Not reviewed

6. Deferred tax

Deferred tax asset

Accelerated capital allowances for tax purposes	1,250,468	1,034,199
Current year timing differences	(312,246)	(303,322)
Utilisation of tax loss	20,959	519,591
Change in tax rate	-	-
	959,181	**1,250,468**

7. Trade and other receivables

Trade receivables	123,506	123,987
Deposits	10,358	10,358
Value Added Tax	2,453,036	2,453,999
	2,586,900	**2,588,344**

8. Share capital

Authorised		
4,000 Ordinary shares of N$ 1.00 each	4,000	4,000
Issued		
100 Ordinary shares of N$ 1.00 each	100	100

9. Loans to (from) group companies

Related parties

Paratus Telecommunications (Pty) Ltd	(24,314,206)	(23,583,066)
The above loan is unsecured, interest is charged at prime rate plus 4% and has no fixed terms of repayment, other than not being repayable within the next 12 months.		
Cuvelai Telecommunications (Pty) Ltd	(582,183)	(582,183))
The above loan is unsecured, interest free and has no fixed terms of repayment, other than not being repayable within the next 12 months.		
	(24,896,389)	**(24,165,249)**

10. Loans to (from) shareholders

Bartholomeus Roelof Harmse	(395,726)	(395,726)
The above loan is unsecured, interest free and has no fixed terms of repayment, other than not being repayable in the next 12 months		
Schalk Leipoldt Van Zyl Erasmus	(384,088)	(384,088)
The above loan is unsecured, interest free and has no fixed terms of repayment, other than not being repayable in the next 12 months.		
Rolf Peter Konrad Mendelsohn	(384,088)	(384,088)
The above loan is unsecured, interest free and has no fixed terms of repayment, other than not being repayable in the next 12 months		
	(1,163,902)	**(1,163,902)**

	6 months ended 31August 2017	6 months ended 31 August 2016 Not reviewed
11. Revenue		
Rental Income	1,513,043	1,513,043
12. Finance costs		
Interest paid - Group companies	1,775,848	1,581,147
Interest paid - Receiver of Revenue	82,678	-
	1,858,526	**1,581,147**
13. Taxation		
Major components of the tax income		
Deferred		
Deferred tax	291,287	(50,564)

14. Cash (used in) / generated from operations

(Loss) / Profit before taxation	(827,595)	9,505,396
Adjustments for:		
Depreciation and amortisation	96,411	77,249
Finance costs	1,858,526	1,581,147
Fair value adjustments	-	(9,723,504)
Changes in working capital:		
Trade and other receivables	1,444	(1,893,976)
	1,128,786	**(453,688)**

15. Related parties

Relationships

Common shareholding	Cuvelai Telecommunications (Pty) Ltd
Common shareholding	Paratus Telecommunications (Pty) Ltd
Shareholder	Bartholomeus Roelof Harmse
Shareholder	Schalk Leipoldt Van Zyl Erasmus
Shareholder	Rolf Peter Konrad Mendelsohn

Related party balances

Loan accounts - Owing (to) by related parties		
Cuvelai Telecommunications (Pty) Ltd	(582,183)	(582,183)
Paratus Telecommunications (Pty) Ltd	(24,314,206)	(23,583,066)
Bartholomeus Roelof Harmse	(395,726)	(395,726)
Schalk Leipoldt Van Zyl Erasmus	(384,088)	(384,088)
Rolf Peter Konrad Mendelsohn	(384,088)	(384,088)

ANNEXURE L: INDEPENDENT REPORTING ACCOUNTANT'S REPORT ON THE CONDENSED INTERIM FINANCIAL INFORMATION OF ITN PROPERTY TWO

16 November 2017
The Directors
Nimbus Infrastructure Limited
1 Charles Cathral Street
Olympia
Windhoek
Namibia

Dear Sirs,

Independent reporting accountant's report on the review of the Interim Historical Financial Information

Introduction

Nimbus Infrastructure Limited ("Nimbus") is issuing a circular to its shareholders to be dated on or about 16 November 2017 (the "Circular") regarding the proposed acquisition of 26.5% shareholding in Paratus Telecommunications Pty Ltd ("Paratus" or "the Company") ("the Acquisition").

At your request and for the purpose of the Circular we have reviewed the accompanying interim statement of financial position of ITN Property 2 (Pty) Ltd as at 31 August 2017 and the related statements of comprehensive income, changes in equity and cash flows for the six month period then ended ("the Interim Historical Financial Information"), as presented in Annexure K to the Circular, in compliance with the NSX Limited ("NSX") Listings Requirements.

Directors' responsibility

The directors of Nimbus are responsible for the preparation, contents and presentation of the Circular and are responsible for ensuring that Nimbus complies with the NSX Listings Requirements. The directors of ITN Property 2 (Pty) Ltd are responsible for the preparation and presentation of the Interim Historical Financial Information in accordance with International Accounting Standard 34 "Interim Financial Reporting".

Reporting accountant's responsibility

Our responsibility is to express a conclusion on the Interim Historical Financial Information based on our review.

Scope of review

We conducted our review in accordance with International Standard on Review Engagements 2400, "Engagements to Review Financial Statements", which applies to a review of historical information. A review of financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the Interim Historical Financial Information of ITN Property 2 (Pty) Ltd as set out in Annexure K to the Circular, is not prepared, in all material respects, in accordance with International Accounting Standard 34 "Interim Financial Reporting" and NSX Listings Requirements.

Purpose of this report

This report has been prepared for the purpose of the Circular and for no other purpose.

PricewaterhouseCoopers
Registered Accountants and Auditors
Chartered Accountants (Namibia)
Per: L van der Riet
Partner
Windhoek
16 November 2017

ANNEXURE M: INTERIM FINANCIAL RESULTS OF EASCO PROPERTIES FOR THE SIX MONTHS ENDED 31 AUGUST 2017

Easco Properties CC was initially incorporated in Namibia in 2002 as a close corporation, with Registration Number CC/2002/068. The company is engaged in to carry business in property investments and all related matter and operates principally in Namibia. Easco Properties has subsequently been converted into a a private company with limited liability.

The interim financial information of Easco Properties for the periods ended 31 August 2017 and 31 August 2016 are set out below.

Commentary relating to the details of the underinlying investment property within Easco Properties is set out in Annexure O to the Circular.

Statement of Financial Position

Figures in Namibia Dollar	Notes	31 August 2017	28 February 2017 Not reviewed
Assets			
Non-Current Assets			
Investment property	3	10,800,000	10,800,000
Deferred tax	4	104,225	59,099
		10,904,225	10,859,099
Total Assets		10,904,225	10,859,099
Equity and Liabilities			
Members' contribution		100	100
		8,808,106	8,904,100
Retained Income		8,808,206	8,904,100
Liabilities			
Current Liabilities			
Loan from related party	5	1,736,829	1,595,809
Loans from members	6	359,190	359,190
		2,096,019	1,954,999
Total Equity and Liabilities		10,904,225	10,859,099

Statement of Comprehensive Income

Figures in Namibia Dollar	Notes	6 months ended 31 August 2017	6 months ended 31 August 2016 Not reviewed
Revenue		-	45,000
Operating expenses		(16,875)	(33,576)
(Loss) / before investment income and finance costs		**(16,875)**	**11,424**
Fair value adjustments		-	-
Finance costs	7	(124,145)	(53,352)
Loss before taxation		**(141,020)**	**(41,928)**
Taxation	8	45,126	(71,203)
Loss for the period		**(95,894)**	**(113,131)**
Other comprehensive income		-	-
Total comprehensive loss for the period		**(95,894)**	**(113,131)**

The comparative numbers reflect the trading results of the previous member/owner and is therefore not comparable to the results for the six-month period ended 31 August 2017.

Statement of Changes in Equity

Figures in Namibia Dollar	Members' contributions	Retained income	Total equity
Balance at 1 March 2016	**100**	**245,638**	**245,738**
Changes in equity			
Total comprehensive loss for the 6 months	-	(29,275)	(29,275)
Total changes	-	(29,275)	(29,275)
Balance at 31 August 2016	**100**	**216,363**	**216,463**
Balance at 1 March 2017	**100**	**8,904,000**	**8,904,100**
Changes in equity			
Total comprehensive loss for the 6 months	-	(95,894)	(95,894)
Total changes	-	8,808,106	8,808,206
Balance at 31 August 2017	**100**	**8,808,106**	**8,808,206**

Accounting Policies

1. Presentation of Interim Financial Statements

The interim financial statements have been prepared in accordance with International Financial Reporting Standards for Small and Medium-sized Entities (IFRS for SMEs). There were no material differences between the previous framework (NAC001) and the new basis of accounting. They are presented in Namibian Dollar.

These accounting policies are consistent with the previous financial period and corresponding interim reporting period.

2.1 Investment property

Investment property is property held to earn rentals or for capital appreciation or both, rather than for use in the production or supply of goods or services or for administrative purposes; or sale in the ordinary course of business.

Investment property is initially recognised at cost.

Costs include costs incurred initially to acquire or construct an investment property and costs incurred subsequently to add to, replace part of, or service it. If a replacement cost is recognised in the carrying amount of an item of investment property, the carrying amount of the replaced item is derecognised.

The initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located is also included in the cost of investment property.

After initial recognition, investment property whose fair value can be measured reliably without undue cost or effort shall be measured at fair value at each reporting period with changes in fair value recognised in profit or loss. The close corporation accounts for all other investment property as property, plant and equipment using the cost - depreciation - impairment model. If the fair value cannot be determined without undue cost and effort, the investment property is classified to property, plant and equipment.

2.2 Financial Instruments

Financial instruments at amortised cost

Financial instruments may be designated to be measured at amortised cost less any impairment using the effective interest method. These include trade and other receivables, loans and trade and other payables. At the end of each reporting period date, the carrying amounts of assets held in this category are reviewed to determine whether there is any objective evidence of impairment. If so, an impairment loss is recognised.

Financial instruments at cost

Equity instruments that are not publicly traded and whose fair value cannot otherwise be measured reliably are measured at cost less impairment. This includes equity instruments held in unlisted investments. All financial assets whose fair value cannot otherwise be measured reliably, and which do not meet the criteria to be designated as an instruments measured at amortised cost, are measured at cost less impairment.

Financial instruments at fair value

All other financial instruments are measured at fair value through profit and loss.

Financial Liabilities

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

2.3 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.

Deferred tax assets and liabilities

A deferred tax liability is recognised for all taxable temporary differences.

A deferred tax asset is recognised for all deductible temporary differences.

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 reporting period date.

Tax expenses

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 to equity.

2.4 Revenue

Revenue is measured at the fair value of the consideration received or receivable and represents the amounts receivable for goods and services provided in the normal course of business, net of trade discounts and volume rebates, and value added tax.

2.5 Borrowing costs

Borrowing costs are recognised as an expense in the period in which they are incurred.

3. Investment property

Reconciliation of investment property - 31 August 2017

	Opening balance	Additions	Fair value adjustments	Total
Investment property	10,800,000	-	-	10,800,000

Reconciliation of investment property - 28 February 2017

	Opening balance	Additions	Fair value adjustments	Total
Investment property	3,015,000	1,125,306	6,659,694	10,800,000

Investment property consists of Erf No. 232 (a portion of Erf 231), Prosperita, situated in registration division "K", Khomas, measuring 1343m². Registered under the Deed of Transfer T 0070/2008.

Details of valuation:

The effective date of the revaluations was 8 February 2017. Revaluations were performed by an independent valuer, P.J.J Wilders [National Diploma Property Valuations (Tech SA)], of Pierewiet Wilders Valuations. Pierewiet Wilders Valuations is not connected to the company and have recent experience in location and category of the investment property being valued. The valuation was based on open market value for existing use.

For the purposes of the interim financial statements, the directors have decided to remain with the property value as determined by the valuator during February 2017.

Notes to the Financial Statements

Figures in Namibia Dollar	31 August 2017	28 February 2017 Not reviewed

4. Deferred tax

Deferred tax asset

Accelerated capital allowances for tax purposes	(206,744)	(186,324)
Tax losses available for set off against future taxable income	310,969	245,423
	104,225	**59,099**

Reconciliation of deferred tax asset (liability)

At beginning of the year	59,099	(71,203)
Deferred tax balance unrecognised from prior year	-	-
Increase (decrease) in tax losses available for set off against future taxable income	65,546	208,338
Current year timing differences	(20,420)	(78,036)
	104,225	**59,099**

5. Loan from related party

Paratus Telecommunications (Pty) Ltd	(1,736,829)	(1,595,809)

This loan is unsecured, bears interest at prime rate and has no fixed terms of repayment other than not being repayable within the next twelve months.

6. Loans from members

B.R.J. Harmse	(122,124)	(122,124)
S.L.V. Erasmus	(118,533)	(118,533)
R.P.K. Mendelsohn	(118,533)	(118,533)
	(359,190)	**(359,190)**

These loans are unsecured, interest free and have no fixed terms of repayment other than not being repayable within the next twelve months.

Figures in Namibia Dollar	6 months ending 31 August 2017	6 months ending 31 August 2016 Not reviewed
7. Finance costs		
Interest on related party loan	124,145	53,352
	124,145	53,352
8. Taxation		
Major components of the tax (income) expense		
Deferred		
Originating and reversing temporary differences	(45,126)	71,203

No provision has been made for the period ending 31 August 2017 tax as the close corporation has no taxable income. The estimated tax loss available for set off against future taxable income is N$ 971,778 (2017: N$ 766,946).

ANNEXURE N: INDEPENDENT REPORTING ACCOUNT'S REPORT ON THE INTERIM FINANCIAL INFORMATION OF EASCO PROPERTIES

16 November 2017
The Directors
Nimbus Infrastructure Limited
1 Charles Cathral Street
Olympia
Windhoek
Namibia

Dear Sirs,

Independent reporting accountant's report on the review of the Interim Historical Financial Information

Introduction

Nimbus Infrastructure Limited ("Nimbus") is issuing a circular to its shareholders to be dated on or about 16 November 2017 (the "Circular") regarding the proposed acquisition of 26.5% shareholding in Paratus Telecommunications Pty Ltd ("Paratus" or "the Company") ("the Acquisition").

At your request and for the purpose of the Circular we have reviewed the accompanying interim statement of financial position of Easco Properties CC as at 31 August 2017 and the related statements of comprehensive income, changes in equity and cash flows for the six month period then ended ("the Interim Historical Financial Information"), as presented in Annexure M to the Circular, in compliance with the NSX Limited ("NSX") Listings Requirements.

Directors' responsibility

The directors of Nimbus are responsible for the preparation, contents and presentation of the Circular and are responsible for ensuring that Nimbus complies with the NSX Listings Requirements. The members of Easco Properties CC are responsible for the preparation and presentation of the Interim Historical Financial Information in accordance with International Accounting Standard 34 “Interim Financial Reporting”.

Reporting accountant’s responsibility

Our responsibility is to express a conclusion on the Interim Historical Financial Information based on our review.

Scope of review

We conducted our review in accordance with International Standard on Review Engagements 2400, “Engagements to Review Financial Statements”, which applies to a review of historical information. A review of financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the Interim Historical Financial Information of Easco Properties CC as set out in Annexure M to the Circular, is not prepared, in all material respects, in accordance with International Accounting Standard 34 “Interim Financial Reporting” and NSX Listings Requirements.

Purpose of this report

This report has been prepared for the purpose of the Circular and for no other purpose.

PricewaterhouseCoopers

Registered Accountants and Auditors

Chartered Accountants (Namibia)

Per: L van der Riet

Partner

Windhoek

16 November 2017

ANNEXURE O: ABRIDGED VALUATIONS REPORT

PIEREWIET WILDERS VALUATIONS

National Diploma Property Valuations (Tech SA)
Sworn Appraiser
Cell: 081 128 3856
Fax: 061-231 452
E-mail: admin1@pwv.com.na
PO Box 31362 Pioniers Park, Windhoek, Namibia

10 November 2017

To whom it may concern:

Re: 232 PROS 104 Nickel Street & 348 PROS 106 Nickel Street

Valuation report Summary

Valuator

Valuations done by Pierewiet Wilders Valuations – Valuer: Pierewiet Wilders – (National Diploma Property Valuations (Tech SA).

Details of the valuation:

i. The valuation
   a. Erf 232 Prosperita valued at N$10,800,000.00
   b. Erf 348 Prosperita valued at N$36,300,000.00

ii. The address
   a. Erf 232 Prosperita 104 Nickel Street
   b. Erf 348 Prosperita 106 Nickel Street

iii. Nature and date of valuer's inspection
   a. Both properties were inspected October 2017
   b. The property was valued in its existing state.
   c. No structural surveys of the buildings were carried out nor were there tests or inspections carried out on any service installation. The valuation assumes that the services are in a satisfactory condition and that the building plans are up to date at the municipality.

iv. Location of Erf 232 Prosperita
   a. Location: the property is situated in a sought after industrial area, to the south of Windhoek, next to the road entering Windhoek, from South Africa. The property is

situated on street level, with not slope and a close to most amenities. The property enjoys good visibility and access.

v. Description of improvements on Erf 232 Prosperita –

a. The subject property comprises of a single storey office/warehouse and double storey flat. The rectangular shaped stand is well utilized. The front building is a double volume steel framed open warehouse. To the front of the warehouse is a single storey office building with brick walls, steel window and door frames, suspended ceiling and ceramic tile flooring. On top of this building is a mezzanine of shutter boards. At the back of the warehouse are two store rooms, with similar finishes and also a mezzanine on top of it.

b. Right at the back of the erf is a double storey flat, with iron roofing, steel window and door frames, suspended ceiling and ceramic tile flooring. The flat kitchen is fully fitted with built-in cupboards in all the bedrooms.

vi. Location of Erf 348 Prosperita

a. The property is situated in a sought after industrial area, to the south of Windhoek, next to the road entering Windhoek, from South Africa. The property is situated on street level, with not slope and a close to most amenities. The property enjoys good visibility and access.

vii. Description of improvements on Erf 348 Prosperita

a. The main building is situated at the back of the erf and consists out of a double volume steel structure, filled with plastered and painted brick walls under iron roofing, with aluminum window and door frames. The ground floor has polished concrete flooring, with two wooden mezzanine levels above that.

b. The building is currently used as office space for Paratus.

viii. Both properties are built as per plans provided by the owner.

ix. No material contravention of statutory requirements;

x. Tenure

a. Erf 232 Prosperita is freehold

b. Erf 348 Prosperita is leasehold. The fixed term lease agreement expired November 2016 and continues on a month to month basis.

xi. Approximate age of the buildings

a. The improvements on Erf 232 Prosperita are 10 years old, but newly renovated 2 years back
b. The improvements on Erf 348 Prosperita are 2 years old.

xii. Present capital value in existing state

CAPITALIZATION RATE

"The capitalization rate (or "Cap Rate") is a real estate valuation measure to indicate the ratio between the net operating income produced by an asset and the original capital cost or alternatively its current market value. Rates and price/earnings multiples are inversely related. In other words, as the cap rate goes up, the valuation multiple goes down. One component for utilizing the cap rate methodology is to assess certain risk factors such as creditworthiness- and diversity of the tenant, quality of the location, length of the lease, age of the property and local market factors of demand and supply in the asset class."

Calculating the capitalization rate of the subject property, it will be compared to the capitalization rate to which comparable properties sold recently:

Considering the above and the size of the subject property, a capitalization rate of 8% will be used in this valuation. The application of this Cap Rate resulted in the following present capital values:

a. Erf 232 Prosperita

   N$ 10,806,773

b. Erf 348 Prosperita

   N$ 36,259,500

xiii. Terms of any intra-group lease on property occupied by the group
a. The lease agreement contains no terms that are unusual for commercial lease of this nature and include the following:
   i. The property shall be used solely for office space
   ii. The lessee has a reasonable right of recourse for maintenance conducted.
   iii. The lessee shall be responsible for the maintenance of the building and keep it in a good state of repair
   iv. The lessee shall be responsible for the payment of municipal services
   v. The lessee shall not do anything that will render the insurance of the property null and void
   vi. The lessor has a rental lien over the furniture and equipment situate on the premises

xiv. Material assumptions used in the valuation of the properties are contained in the full valuation reports and are discussed in more detail below.

xv. Sources of information and verification

a. Estate agents – Joseph & Snyman

xvi. The valuator:

Pierewiet Wilders

National Diploma Property Valuations (Tech SA) Sworn Appraiser

26 Pienaar Street Pionierspark

xvi. The valuation method and assumptions

a. The valuation assumes that the improvements are well maintained with high quality fittings and finishes;

b. The valuation is based on the, market value is defined as "the estimated amount for which a property would exchange on the date of valuation between a willing buyer and a willing seller in an arm's length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion";

c. The subject property will be valued as a commercial property by using the income capitalization method. The method involves the determining of the net income of the property, which will be capitalized.

d. Income

Comparable rentals in Prosperita and Southern CBD area, close to the subject property.

After research undertaken (see above market rentals) in Windhoek industrial areas, it is revealed that the current through rental rates vary between N$ 70.00 and N$ 95.00 for buildings with small offices and warehousing and workshops. =

Considering the above and the fact that the subject property is typical office space with solar power which saves the tenant up to approximately N$ 31.500.00 on electricity, therefore a fair through rate of N$ 130.00 will be applied to the report.

e. Vacancy

As seen in the above table all the above rentals are long-term rental contracts, with single tenants. The subject property is in a high demand area, with little availability; therefore a 0% vacancy factor has been applied in this report.

f. Expenses

As in the above, expenses vary between 3 and 15 % of the gross income. The expenses figure used in this valuation is 3.34% of the gross income. Most of the expenses are recovered from the tenant.

xvii. Pierewiet Wilders Valuations has got no financial or other interest in the Paratus Telecom. Nor where the valuation required for the director's benefit or financial gain.

P.J.J. Wilders **11 November 2017**

ANNEXURE P: FAIRNESS OPINION

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ANNEXURE P: REPORT AND OPINION OF THE INDEPENDENT EXPERT

The Independent Board
Nimbus Infrastructure Limited
45 Nelson Mandela Avenue
Windhoek
Namibia

10 November 2017

INDEPENDENT EXPERT OPINION ON THE PURCHASE OF SHARES IN PARATUS NAMIBIA (PROPRIETARY) LIMITED

Dear Sirs

1 Introduction

Nimbus Infrastructure Limited ("Nimbus"), a Capital Pool Company listed on the Namibian Stock Exchange, is seeking to purchase 26.5% of Paratus Namibia (Pty) Ltd. ("Paratus Namibia") ("the Transaction") for N$95 million. In terms Schedule 5 of the Listing Requirements an opinion must be obtained from an independent expert acceptable to the Namibian Stock Exchange ("NSX") that the terms of the proposed acquisition of a shareholding in Paratus are fair as far as the shareholders of Nimbus are concerned.

Ernst & Young Advisory Services (Proprietary) Limited ("EY") has been appointed by the Nimbus Independent Board as the independent expert to provide a fairness opinion in respect of acquisition of a shareholding in Paratus Namibia.

Proposed transaction details

Paratus Namibia provides information and communication technology services across sub-Saharan Africa and currently has four shareholders with interest as follows:

- Paratus Group Holdings Ltd. (Mauritius) ("Paratus Mauritius") - 49%. Shareholding in Paratus Mauritius is equally split between Rolf P K Mendelsohn, Bartholomeus R J Harmse and Schalk L V Erasmus, each holding 33.3%;
- Cuvelai Telecommunications (Pty) Ltd. (("Cuvelai") - 33.9%. The shareholding in Cuvelai is 55.2% held by Paratus Namibia employees, 22.4% by Bartholomeus R J Harmse and 22.4% by Schalk L V Erasmus;
- Bartholomeus R J Harmse - 8.6%; and
- Schalk L V Erasmus - 8.6%.

Also related to Paratus Namibia are property companies Easco Properties CC ("Easco") and ITN Property Two (Pty) Ltd ("ITN Property") ("the properties"), which are owned by Rolf P K Mendelsohn, Bartholomeus R J Harmse and Schalk L V Erasmus, each holding 33.3%, and CanoCopy (Pty) Ltd ("CanoCopy") which is 100% owned by Paratus Namibia.

The full details of the Transaction are set out in Nimbus' SENS announcement dated 14 November 2017 and are contained in this circular issued to Nimbus Shareholders ("Circular"), to which this opinion forms Annexure P.

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The proposed Transaction between Nimbus Infrastructure Ltd and Paratus entails the following:

1) Removal of CanoCopy from Paratus Namibia, which is regarded as a non-vital trading subsidiary, through adistribution of Paratus Namibia's shares in CanoCopy to its current shareholders as a dividend in specie. The effect thereof is that the current shareholders of Paratus will be the direct shareholders of CanoCopy.
2) Property swap into Paratus Namibia: The swap transaction will lead to the issuance of 2934 new shares inParatus Namibia to Paratus Mauritius in exchange for the properties. The current shareholding in the underlying property companies is identical to the shareholding in Paratus Group Holdings Ltd (Mauritius).
3) Nimbus's acquisition of an effective shareholding of 26.5% in Paratus Namibia through:
   - an initial cash payment of N$20 million to acquire 8% (eight percent) or 3056 shares of the issued share capital in Paratus Namibia from Cuvelai; and
   - a share subscription amounting to N$75 million for the allotment and issue of 9617 Paratus Namibia shares.

2. Responsibility

We confirm that our report has been provided to the Nimbus Independent Board for the sole purpose of assisting it in forming and expressing an opinion on item 3 of the transaction steps above for the benefit of Nimbus Shareholders.

Ultimate compliance with the Namibian Companies Act 28 of 2004 is the responsibility of the Nimbus Board. Our responsibility is to report on the terms and conditions of the Transaction.

3. The term "fair"

Market value is defined as the estimated amount for which an asset should exchange on the date of valuation between a willing buyer and a willing seller in an arms'-length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion.

A transaction will generally be considered "fair" to the company's shareholders if the benefits received by shareholders, as a result of a corporate action, are equal to or greater than the value surrendered.

This report and opinion does not purport to cater for individual shareholders' positions but rather the general body of Nimbus Minorities.

A Nimbus shareholder's opinion regarding the Transaction may be influenced by his or her particular circumstances (for example taxation and the consideration received for the shares). Should a Nimbus shareholder be in doubt, he or she should consult an independent expert as to the merits of the Transaction, considering his/her personal circumstances.

4. Sources of information

EY has relied on financial and other information, including prospective financial information, obtained from Paratus Namibia and Nimbus' management team, together with industry-related and other information in the public domain in developing our valuation model. Our conclusion is dependent on such information being complete and accurate in all material respects.

The principal sources of information used in performing our independent valuation and in formulating our opinion regarding the terms and conditions of the Transaction include:

- Paratus management's 5-year forecast;
- Background reports prepared by both Paratus Namibia and Nimbus;
- Audited annual financial statements of Paratus Namibia for the years 28 February 2015, 2016 and 2017; and
- Interim financial statements of Paratus Namibia and the property companies for the half year ended 31 August 2017.

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Where practical, we have corroborated the reasonableness of the information provided to us for the purpose of our opinion, whether in writing or obtained through discussions with the respective management teams.

5. Valuation procedures performed

In determining the appropriateness and reasonability of the valuation used for the proposed transaction, we have undertaken the following procedures:

- Reviewed and analysed the historical financial information of Paratus Namibia.
- Reviewed and analysed the Transaction documents provided by Nimbus.
- Reviewed the reasonableness of management's forecast assumptions, including:
  - Revenue, operation costs and capital expenditure forecasts;
  - Projected gross profit and EBITDA margins;
  - Long term growth rates; and
  - Other performance measures.
- Performed an indicative valuation of Paratus Namibia using the discounted cash flow valuation approach.
- Conducted appropriate sensitivity analyses given a reasonable range of key assumptions on the valuation.
- Performed a corroborative valuation exercise using market and transaction multiples.
- Considered the rationale for the Transaction.
- Held discussions with management.
- Considered the information included in market and industry reports.

We have not held interviews with the Nimbus Shareholders.

6. Valuation approach and results

For the purposes of our valuation, our methodology in determining the appropriateness of the valuation included:

- Applying the income approach by way of a Discounted Cash Flow forecast valuation, based on Paratus Namibia management's most recent forecasts.
- Assessing the impact of key internal value drivers on the projected cash flow targets, by amongst other procedures:
  - Considering the future revenue growth plans and the support thereof;
  - Considering the capital expenditure required to execute the growth plan;
  - Considering the operating expenses required to cater for the growth plan; and
  - Analysing the working capital investment required to execute the growth plan.
- Assessing the impact of various key external value drivers such as inflation, expected GDP growth, consumer confidence and interest rate yields on the risk profile of the projected cash flows and resultant discount rates.
- Below is a summary of the key valuation assumptions:
  - A weighted average cost of capital ("WACC") of 16.24%. We note that the discount rate applied in the valuation is subject to the required return of the individual investor;
  - Terminal growth rate of 8% based on Namibia long-term inflation expectations of around 6% and real growth of 2%;
  - A minority discount of 12.8% based on a 2016 independent survey;
  - A marketability discount of 10% based on a 2016 independent survey;
  - Reliance has been placed on the historical and forecast financial information as prepared by Paratus Namibia management;
  - For the revalued Net Asset Value of the two properties we have relied on the independent property valuer's valuation; and
  - There are no undisclosed contingencies that could impact the value of Paratus Namibia.
- We also performed a corroborative valuation exercise using market and transaction multiples.

- We performed a sensitivity analysis on the key value drivers of Paratus Namibia and the valuation range determined is within our tolerable range.

7. Approach to fairness of the Transaction

In considering fairness of the N$95 million, we have calculated the value per share pre- and post the Transaction at 31 August 2017. The amount paid per share by Nimbus in both the N$75m share issue and the N$20m acquisition of the 8% interest from Cuvelai is at a discount to our valuation.

8. Shareholder rights

There will be no material change to the rights of the Nimbus shareholders as a result of the execution of the Transaction.

9. Fairness opinion

Based on the results of our procedures performed, our detailed valuation work and other considerations, subject to the foregoing assumptions, including a required return/discount rate, we are of the opinion that the subscription and purchase prices are fair to Nimbus shareholders.

10. Limiting conditions

The valuation above is provided solely in respect of this report and opinion and should not be used for any other purposes. Our opinion is based upon the information available to us up to 2 November 2017, including in respect of the financial, regulatory, securities market and other conditions and circumstances existing and disclosed to us at the date thereof. We have furthermore assumed that all conditions precedent, including any material regulatory, other approvals and consents required in connection with Transaction have been or will be timeously fulfilled and/or obtained. Accordingly, it should be understood that subsequent developments may affect this opinion, which we are under no obligation to update, revise or re-affirm.

This report and opinion does not purport to cater for each individual Nimbus shareholder's circumstances and/or risk profile, but rather that of the general body of shareholders taken as a whole. Each Nimbus shareholder's decision will be influenced by such shareholder's particular circumstances and, accordingly, shareholders should consult with an independent adviser if they are in any doubt as to the merits or otherwise of the Transaction.

This report and opinion is provided solely for the use of the Nimbus Independent Board and Nimbus Shareholders and for the sole purpose of assisting the Nimbus Independent Board in forming and expressing an opinion on the Transaction for the benefit of the Nimbus Shareholders. Unless as stipulated in this letter, this opinion shall not, in whole or in part, be disclosed, reproduced, disseminated, quoted, summarised or referred to at any time, in any manner or for any purpose, nor shall any public references to EY or Ernst & Young Advisory Services (Proprietary) Limited be made by Nimbus or any of its affiliates, without the prior consent of Ernst & Young Advisory Services (Proprietary) Limited.

We have relied upon the accuracy of the information used by us in deriving our opinion albeit that, where practicable, we have corroborated the reasonableness of such information through, amongst other things, reference to work performed by independent third party/ies, historic precedent or our own knowledge and understanding. While our work has involved an analysis of the valuation model and other information provided to us, our engagement does not constitute, nor does it include, an audit conducted in accordance with generally accepted auditing standards. Accordingly, we assume no responsibility and make no representations with respect to the accuracy of any information provided to us in respect of Paratus Namibia.

Forecasts relate to uncertain future events and are based on assumptions, which may not remain valid for the whole of the forecast period. Consequently, forecast financial information cannot be relied upon to the same extent as that derived from audited financial statements for completed accounting purposes. We express no opinion as to how closely actual results will correspond to projections made by the management of Paratus Namibia and made available to us during the course of our review.

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11. Independence, competence and fees

We confirm that we have no direct or indirect interest in Nimbus, Paratus Namibia or the Transaction. We also confirm that we have the necessary qualifications and competence to provide this report and opinion on the acquisition.

Our fees amount to N$375,000 excluding VAT and disbursements. Furthermore, we confirm that our professional fees are not contingent upon the success of the Transaction.

12. Consent

We consent to the use of our name, the inclusion of this letter and the reference to our report and opinion in the Circular to be issued to the Nimbus Shareholders in the form and context in which it appears and in any required regulatory announcement or documentation.

Yours sincerely

Steve Alt
Partner
Ernst & Young Advisory Services (Proprietary) Limited

Anil Khimjee
Partner

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	**Non-Executive**
Schalk Leipoldt Van Zyl Erasmus (Namibian)	Hans-Bruno Gerdes (Independent Chairman) (Namibian)
Stefanus Isaias de Bruin (Namibian)	Brown Yati Ilone Amuenje (Independent) (Namibian)
Morné Romé Mostert (Namibian)	Josephine Naango Ndakulilwa Shikongo (Independent) (Namibian)
	Christoph Oliver Stork (Independent) (German)
	Stuart Hilton Birch (Independent) (South African)

NOTICE OF GENERAL MEETING OF NIMBUS SHAREHOLDERS

Notice is hereby given that a general meeting of Nimbus Shareholders ("General Meeting") will be held at 45 Nelson Mandela Avenue, Windhoek, Namibia at 10:00 on Wednesday, 6 December 2017.

Purpose

The purpose of the 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 General Meeting.

Note:

- *The definitions and interpretations commencing on page 10 of the Circular to which this Notice of General Meeting is annexed, apply, mutatis mutandis, to this Notice of General Meeting and to the resolutions set out below.*
- *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.*

1. **ORDINARY RESOLUTION 1 – PARATUS TRANSACTION**

"**RESOLVED AS AN ORDINARY RESOLUTION** that, subject to the approval of Ordinary Resolution 2, the acquisition by the Company of the effective 26.5% of Paratus Shares for an aggregate cash consideration of N$95 000 000 (ninety five million Namibia Dollars) payable in cash, in accordance with the terms and subject to the conditions of the Acquisition Agreement, the salient terms of which are contained in the Circular and copies of which have been made available for inspection by Nimbus Shareholders, be and is hereby approved in terms of the Listing Requirements."

Reason and effect

The reason for Ordinary Resolution 1 is that the Acquisition constitutes the acquisition of a Viable Asset, requiring Nimbus Shareholder approval by way of an ordinary resolution in terms of the Listing Requirements.

The effect of Ordinary Resolution 1, if approved by Nimbus Shareholders, is to grant the requisite approval for the Acquisition in terms of the Listing Requirements, to be implemented in accordance with the terms and subject to the conditions of the Acquisition Agreement. To the extent that the Acquisition is successfully implemented, Nimbus will no longer be classified as a CPC, subject to NSX approval.

2. **ORDINARY RESOLUTION 2 - USE AND RETENTION OF RESIDUAL CAPITAL**

"**RESOLVED AS AN ORDINARY RESOLUTION** that, subject to the approval and adoption of Ordinary Resolution 1, the use and retention of the Residual Capital by Nimbus to source new investments and for working capital purposes, be and is hereby approved."

Reason and effect

The reason for Ordinary Resolution 2 is that, in terms of paragraph 4.35(c) of the Listing Requirements, the use and retention of the Residual Capital by Nimbus requires Nimbus Shareholder approval by way of an ordinary resolution.

The effect of Ordinary Resolution 2, if approved by Nimbus Shareholders, is to grant Nimbus the requisite approval for the use and retention of the Residual Capital in terms of the Listing Requirements.

VOTING REQUIREMENTS AND PROXIES

The date on which Nimbus Shareholders must be recorded in the Register for purposes of being entitled to receive this notice is Friday, 1 December 2017. The date on which Nimbus Shareholders must be recorded in the Register for purposes of being entitled to attend and vote at the General Meeting is Friday, 8 December 2017. Accordingly, the Last Day to Trade to be entitled to attend and vote at the General Meeting is Friday, 24 November 2017.

Any Nimbus Shareholder who holds Shares in Nimbus may attend, participate in and vote at the General Meeting or at any adjournment thereof or may appoint any other person or persons (none of whom need be a Nimbus Shareholder) as a proxy or proxies, to attend, participate in and vote or abstain from voting at the General Meeting or at any adjournment thereof, in such Shareholder's stead.

A form of proxy is attached for use by such Nimbus Shareholders. Such form of proxy duly completed, must be forwarded to and reach the Transfer Secretaries, by no later than 10:00 on Wednesday, 6 December 2017.

The completion of a form of proxy does not preclude any Shareholder registered by the Voting Record Date from attending the General Meeting.

Meeting participants may be required to provide satisfactory identification. Meeting participants will be required to provide proof of identification to the reasonable satisfaction of the chairperson of the General Meeting and must accordingly bring a copy of their identity document, passport or driver's license to the General Meeting. If in doubt as to whether any document will be regarded as satisfactory proof of identification, meeting participants should contact the Transfer Secretaries for guidance.

SIGNED AT WINDHOEK, NAMIBIA, ON 16 November 2017 ON BEHALF OF THE BOARD.

By order of the Board

Director Director

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")

FORM OF PROXY – FOR USE BY CERTIFICATED SHAREHOLDERS ONLY

I/We (full name in block letters):

of (address):

Telephone Number:

E-Mail Address:

being a Shareholder of:_______________ Nimbus Infrastructure Limited Shares,

Do hereby appoint

.... of .... or failing him/her

.... of .... or failing him/her

the chairperson of the 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 1: Paratus transaction			
Ordinary Resolution 2: Use and retention of Residual Capital			

(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.