

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

REVIEWED CONSOLIDATED FINANCIAL RESULTS for the six months ended 31 December 2021

	31 December 2021 (Reviewed)	31 December 2020 (Reviewed)	30 June 2021 (Audited)
Revenue (N\$)	196 288 401	167 362 199	340 560 820
Total comprehensive income for the period (N\$)	19 582 652	16 538 403	28 976 231
Basic earnings per ordinary share (cents)	39.49	34.42	59.80
Headline earnings per ordinary share (cents)	39.50	32.51	57.86
Net asset value per ordinary share (cents)	1 159.89	1 113.86	1 129.77
Dividend per ordinary share (cents)	10.00	10.00	20.00
Number of ordinary shares in issue	48 723 123	48 723 123	48 723 123

The market and prospects

Namibia's economic performance was expected to improve slightly during 2021 and improve further in 2022. According to the Bank of Namibia's December 2021 Economic Outlook report, the real GDP growth is projected to increase by 1.5% and 3.3% in 2021 and 2022, respectively, from a contraction of 8.5% in 2020.

The growth in the Information and Communication sector was expected to be 7.8% in 2021 and 6.4% in 2022. The group will continue its aggressive infrastructure roll-out strategy to further expand its network footprint across Namibia and to support recurring revenue growth.

For the six months ended 31 December 2021, Paratus Telecommunications (Proprietary) Limited ("Paratus Namibia"), the operating entity, realised recurring revenue of N\$166.2 million (December 2020: N\$150.4 million) which represents a growth of 10.5% on a like-for-like basis. Non-recurring revenue, which represents Local Area Network installations and sale of Telecommunication Equipment, amounts to N\$24.6 million (December 2020: N\$14.2 million). This represents a growth of 73.2% on a like-for-like basis. The growth is mainly attributable to a Local Area Network Installation from a new property development project.

The net profit before taxation, for the operating entity, for the same period amounts to N\$26.4 million (31 December 2020: N\$21.9 million) and earnings before interest, taxation, depreciation and amortisation ("EBITDA") amounts to N\$59.8 million (December 2020: N\$46.9 million). This represents growth of 20.6% and 27.5%, respectively on a like-for-like basis. The growth in profitability is mainly attributable to the overall revenue growth of 15.9% and the moderate increase of 7.7% in operating expenses. The operating margins for the period under review is slightly lower than the previous reporting period and is mainly due to the lower margins realised from the higher non-recurring revenue.

Capital projects

For the period to 31 December 2021 Paratus Namibia has invested N\$147.7 million in infrastructure. Of this total investment, N\$75.4 million was invested in the fiber network, of which N\$8 million was invested towards a fiber network in the Northern towns of Namibia and N\$15 million was invested to expand the current fiber network in the coastal towns of Namibia.

An amount of N\$11 million was invested towards the LTE networks in Windhoek, the coastal towns, and the North of Namibia.

A total amount of N\$34.8 million was invested in the Cable Landing Station in Swakopmund, which has now been completed and is ready for service.

To date, N\$50.4 million was invested in the Data Center, which is expected to be completed during the third quarter of 2022 at a total cost of N\$123 million.

Management considers EBITDA as an important operational performance measure, as it mirrors Paratus Namibia's ability to generate cash flows from operations. The disparity between profit after taxation and EBITDA stems from the large depreciation charges recorded on infrastructure deployed.

For the period under review, Paratus Namibia have funded 40% of the total capital investment from operational cash flows, which includes the Data Center project. The investment in infrastructure bodes well for the group, as is evident from the improvement in the EBITDA margin emanating from the cost savings realised by using own infrastructure, as well as adding customers to existing infrastructure.

Dividends declared

The directors declared an interim dividend of 10 cents per ordinary share (31 December 2020: 10 cents per ordinary share). The interim dividend payment of 10c per ordinary share is maintained to continue the current level of infrastructure roll-out, which should bode well for future profit growth.

The salient dates of the dividend declared are as follows:

- Board declaration date: 23 March 2022
- Last date to trade cum dividend: 27 May 2022
- First day to trade ex dividend: 30 May 2022
- Last date to register (Record date): 03 June 2022
- Payment date: 17 June 2022

Short form announcement

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

Any investment decision should be based on the full announcement accessible from Tuesday, 25 March 2022, via the NSX link <https://senspdf.jse.co.za/documents/2022/nsx/isse/pnhnm/PNHDec2021.pdf> and also available on our website at <https://invest.paratus.africa>.

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

DIRECTORS

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

REGISTERED OFFICE

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

By order of the Board

25 March 2022

SPONSOR

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

