

**PARATUS NAMIBIA HOLDINGS LIMITED**  
**(previously Nimbus Infrastructure Limited)**  
**(Incorporated in the Republic of Namibia)**  
**(Registration number 2017/0558)**  
**(“the Company” or “PNH”)**  
**(NSX Share code: PNH) (ISIN code: NA 000A2DTQ42)**

## **TRANSACTION ANNOUNCEMENT IN RESPECT OF PARATUS NAMIBIA HOLDINGS AS LANDING PARTNER FOR THE NAMIBIAN BRANCH OF THE EQUIANO SUBSEA CABLE**

### **1. Introduction**

Pursuant to the cautionary announcement by PNH published on Namibian Exchange News Service (“NENS”) of the Namibian Stock Exchange (“NSX”) dated 8 May 2020, with renewal of cautionary announcement dated 25 June 2020 as well as 6 August 2020, shareholders are advised that Paratus Telecommunications (Pty) Ltd, a wholly owned subsidiary of PNH (“Paratus”), has entered into a 15 year agreement with Blue Path Technology Company (Unlimited) and ZA Asset Management (Pty) Ltd (collectively “Google”), to be the landing partner for the Equiano Cable in Namibia. The bilateral agreements entail two facets, the first whereby Paratus acquires from ZA Asset Management unrestricted right to use the branch connecting Namibia to the Equiano Cable for own use, lease, resale or to use the relevant capacity for any legal purpose. The second being the exchange of services to be rendered by Paratus, with a total value of approximately N\$ 260 million Namibian Dollars. The proposed agreements are subject to the terms and conditions set out below.

### **2. The transaction**

The transaction will comprise of the following elements:

- Paratus will acquire from ZA Asset Management an unrestricted, indefeasible right of use to use the fiber pairs on the branch connecting Namibia to the Equiano Cable (“Equiano Branch”).
- Paratus will construct and sell an IRU for the use of the cable landing station (“CLS”) to Blue Path Technology (Unlimited Company), ready for delivery by approximately 30 June 2021.

- Paratus will sell an IRU, consisting of a dark fiber pair on the Trans Kalahari Fiber (“TKF”) line, to ZA Asset Management.

### **3. The vendor**

ZA Asset Management (Pty) Ltd, registration number 2009/002338/07, a company organized under the laws of South Africa, with its registered address at Ballyoaks Office Park, 35 Ballyclare Drive, Building E, Bryanston, Johannesburg, Gauteng, 2191, South Africa (“ZA Asset Management”).

### **4. Rationale for the transaction**

The rationale for the transaction is twofold. Firstly, the transaction will enable Paratus to access critical infrastructure, which will allow Paratus to extract more value out of its existing infrastructure, amongst other being TKF. Secondly, with Paratus being the landing partner of the Equiano Cable in Namibia it will allow Paratus the commercial viability of selling capacity on the Namibia Branch and therefore access to subsea capacity on the Equiano Cable. The transaction would also provide Namibia with much needed redundancy, should the WACS subsea cable be out of service which has happened in the past and led to significant internet downtime for the whole of Namibia.

The infrastructure to be installed will give Namibia direct access to the Equiano subsea cable and international capacity.

### **5. Terms of the transaction**

#### **5.1 Effective date**

The effective date of the transaction: 14 August 2020.

#### **5.2 Conditions precedent**

No conditions precedent outstanding.

### **6. Description of the Equiano Cable**

Google is funding the construction of the first subsea cable to incorporate optical switching at the fiber-pair level, known as the Equiano Cable. Stretching from Portugal to South Africa, with nine branching units extending connectivity to additional African countries such as Namibia, the Equiano Cable’s aim is to connect Africa with Europe. The cable is scheduled to be completed in 2022. The Equiano Cable will only be the second subsea cable to land in Namibia.

For more information on the Equiano Cable, follow the link below:

<https://cloud.google.com/blog/products/infrastructure/introducing-equiano-a-subsea-cable-from-portugal-to-south-africa>

## 7. Prospects

The partnership fits squarely into Paratus and PNH's strategy of rolling out ICT infrastructure in sub-Saharan Africa, which is to enable broad base access to affordable internet in a world that is ever more dependent on the Internet of Things. The direct and indirect benefits that will flow from the proposed transaction to PNH, through Paratus, are as follows:

- i. PNH will be the selling branch capacity to other carriers in the region seeking to access trunk capacity on an IRU basis.
- ii. PNH will be in a position to provide true redundancy services to operators and carriers heavily reliant on WACS.
- iii. The Equiano Cable via the Namibian Branch and TKF will be the shortest and fastest connection from Europe to Johannesburg, which will see increased demand for capacity on TKF.
- iv. The fixed investment will allow PNH to reduce cost of sales relative to sales, thereby increasing the Company's profitability and driving down internet costs in Namibia.

## 8. Withdrawal of cautionary announcement

Shareholders should note that the cautionary announcement dated 6 August 2020 is hereby withdrawn.

By order of the Board  
Windhoek  
19 August 2020

SPONSOR  
Simonis Storm Securities (Pty) Ltd



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