

UNAUDITED INTERIM FINANCIAL RESULTS

for the six months ended 31 December 2024

EXTRACT OF CONDENSED CONSOLIDATED INTERIM STATEMENT OF COMPREHENSIVE INCOME

for the six months ended 31 December 2024

Notes	6 months	6 months	12 months
	31 December	31 December	30 June
	2024	2023	2024
	Unaudited	Unaudited	Audited
	N\$	N\$	N\$
Revenue	327,274,161	281,096,574	568,865,063
Cost of sales	(153,517,039)	(138,146,570)	(278,704,782)
Gross Profit	173,757,122	142,950,004	290,160,281
Other operating income*	(1,790,377)	3,338,849	2,786,968
Operating expenses	(105,532,900)	(80,168,620)	(180,189,854)
Operating profit	66,433,845	66,120,233	112,757,395
Investment income	2,136,587	22,639	101,561
Finance cost	2.3&2.4 (36,852,141)	(36,770,504)	(73,416,170)
Profit before taxation	31,718,291	29,372,368	39,442,786
Taxation**	(5,244,736)	(10,779,659)	(13,202,034)
Profit for the period	26,473,555	18,592,709	26,240,752
Total comprehensive income for the period	26,473,555	18,592,709	26,240,752
Total comprehensive income attributable to:			
Equity holders of the parent entity	26,138,089	18,445,466	25,882,912
Non-controlling interests	335,466	147,243	357,840
Total comprehensive income for the period	26,473,555	18,592,709	26,240,752

* Other operating income is a sum of items not shown separately as this reflects only an extract of the condensed consolidated interim statement of comprehensive income.

** Income tax expense is recognised in accordance with the applicable statutory income tax rate of 31% (31 December 2023: 32%). The variance in the effective tax rate, which decreased from 37% at 31 December 2023 to 17%, is primarily attributed to dividend income exempt from taxation, amounting to N\$18.4 million (31 December 2023: N\$100 thousand).

EXTRACT OF CONDENSED CONSOLIDATED INTERIM STATEMENT OF FINANCIAL POSITION

as at 31 December 2024

Notes	31 December	31 December	30 June
	2024	2023	2024
	Unaudited	Unaudited	Audited
	N\$	N\$	N\$
Property, plant and equipment	2.2 1,159,330,333	1,019,180,012	1,093,230,715
Intangible assets	291,035,167	285,653,736	293,124,226
Trade and other receivables	78,799,227	62,989,808	57,061,263
Investments at fair value	529,745,861	147,934	588,847,373
Cash and cash equivalents	6,562,186	3,755,061	11,254,041
Other assets*	72,091,222	36,999,381	44,936,152
TOTAL ASSETS	2,137,563,996	1,408,725,932	2,088,453,770
Share capital	1,099,189,689	500,674,703	1,099,189,689
Distributable reserves	96,070,965	72,313,139	74,878,272
Non-controlling interest	1,098,503	1,032,440	1,243,038
Borrowings	2.3 332,171,761	331,346,874	331,221,452
Contract liabilities	2.4 320,058,481	320,414,738	318,588,337
Trade and other payables	180,500,742	84,502,344	155,900,108
Bank overdraft	35,094,864	31,800,023	33,036,682
Other liabilities*	73,378,992	66,641,671	74,396,192
TOTAL EQUITY AND LIABILITIES	2,137,563,996	1,408,725,932	2,088,453,770

* Other assets and other liabilities are a sum of assets and liabilities not shown separately as this reflects only an extract of the condensed consolidated interim statement of financial position.

EXTRACT OF CONDENSED CONSOLIDATED INTERIM STATEMENT OF CASH FLOWS

for the six months ended 31 December 2024

Notes	31 December	31 December	30 June
	2024	2023	2024
	Unaudited	Unaudited	Audited
	N\$	N\$	N\$
Cash generated from operating activities	47,510,503	36,632,376	174,843,322
Cash generated by operations	68,197,409	56,850,921	215,649,806
Interest paid	(20,431,262)	(19,883,423)	(40,375,294)
Interest received	54,015	22,639	101,561
Tax paid	(309,659)	(357,762)	(532,750)
Cash flows used in investing activities	(48,861,117)	(73,045,167)	(798,214,642)
Cash flows (used in) / generated from financing activities	(5,426,776)	(5,930,421)	587,097,353
Net decrease in cash and cash equivalents	(6,777,390)	(42,343,212)	(36,273,967)
Cash and cash equivalents at the beginning of the year	(21,782,641)	14,479,859	14,479,859
Effect of exchange rate on cash and cash equivalents	27,353	(181,609)	11,467
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	(28,532,678)	(28,044,962)	(21,782,641)

Notes	31 December	31 December	30 June
	2024	2023	2024
	Unaudited	Unaudited	Audited

1. OTHER INFORMATION

Number of shares in issue	98,907,940	48,723,123	98,907,940
Weighted number of shares in issue	98,907,940	48,723,123	54,497,814
Net asset value per share (cents per share)	1,208.46	1,176.01	1,188.29
Basic earnings per ordinary share ("BEPS") (cents)	3.1 26.43	37.86	47.49
Headline earnings per ordinary share ("HEPS") (cents)	3.1 26.39	37.73	47.25
Listed market price per share (cents per share)	1,265.00	1,200.00	1,270.00
Premium to net asset value	4.68%	2.04%	6.88%
Capital commitments (including approved but not contracted)	N\$580,680,000	N\$41,120,000	N\$725,290,000
Earnings before interest, taxation, depreciation, and amortisation ("EBITDA")	N\$129,654,729	N\$120,098,707	N\$226,522,832
EBITDA margin %	39.62%	42.7%	39.8%
Net interest bearing debt / EBITDA (not more than 3.5x)*	2.3 -0.63x	1.52x	-1.02x
EBITDA interest cover (not less than 2.5x)*	2.3 6.28x	5.99x	5.60x

*These covenant ratios, relating to the Senior Unsecured Floating Rate Notes described in more detail in note 2.3, shows results calculated on group figures, excluding contract liabilities and the interest calculated thereon.

2. NOTES TO THE FINANCIAL RESULTS

2.1 Basis of preparation

The unaudited interim condensed consolidated financial statements of Paratus Namibia Holdings Limited Group for the six months ended 31 December 2024 from which this information is derived, have been prepared in accordance with International Accounting Standards (IAS) 34 Interim Financial Reporting and the requirements of the Companies Act of Namibia. This results announcement is the responsibility of the directors and is extracted from the unaudited interim condensed consolidated financial statements, and is not itself reviewed or audited.

The material accounting policies applied in the preparation of the interim condensed consolidated financial statements are in terms of IFRS[®] Accounting Standards and are consistent with those applied in the previous annual financial statements, except for the adoption of new or revised accounting standards as set out in the unaudited interim condensed consolidated financial statements. Selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in financial position and performance since the last annual condensed financial statements.

2.2 Property, plant and equipment	31 December	31 December	30 June
	2024	2023	2024
	Unaudited	Unaudited	Audited
Net book value at the beginning of the period	1,093,230,715	993,867,043	993,867,043
Capital expenditure	125,214,168	75,064,248	204,698,706

2.2 Property, plant and equipment (Continued)

	31 December	31 December	30 June
	2024	2023	2024
	Unaudited	Unaudited	Audited
Disposals	(6,332)	-	(4,417)
Depreciation	(59,108,218)	(49,751,279)	(105,330,617)
Net book value at the end of the period	1,159,330,333	1,019,180,012	1,093,230,715

2.3 Borrowings

Borrowings include Senior Unsecured Floating Rate Notes issued under the Namibia Securities Exchange ("NSX")-approved N\$1 billion Domestic Medium-Term Note Programme. The total finance cost incurred on these notes during the period amounts to N\$18.7 million (31 December 2023: N\$19.2 million).

An amount of N\$30 million, classified as current borrowings at the end of this reporting period, pertains to Notes under this Programme maturing in September 2025. Management intends to refinance these notes. The debt covenants under this Programme remain unbreached. Refer to Note 1 for further details.

2.4 Contract liabilities

Contract liabilities consist of funds received in advance for various contracts, including the Indefeasible Right-of-Use ("IRU") agreements for the Trans-Kalahari fiber route, Equiano subsea cable and Equiano spectrum. The group did not enter into any new IRU agreements during the period. In accordance with IFRS 15, these contract liabilities recognise revenue and accrue interest over time but do not directly impact cash flows. The total finance cost associated with these IRU agreements amounts to N\$16.2 million (31 December 2023: N\$16.7 million), while revenue from these agreements amounts to N\$21.2 million (31 December 2023: N\$20.6 million).

3. DIRECTORS' COMMENTARY

3.1 The market and prospects

The Namibian economy showed moderate recovery in the second half of 2024, with an outlook of 3.5% growth for 2024. Growth is impacted by the weaker performance of the diamond industry and crop farming. The Bank of Namibia implemented three 25 basis points cuts between August and December 2024, bringing the repo rate down to 7% by end of December 2024. Inflation remained a challenge throughout the second half of 2024, averaging at 6.8%.

For the period ended 31 December 2024, the Group achieved strong overall revenue growth of 16.43%, with 6.5% of this increase attributed to dividends received (investment return) from surplus funds invested, totalling N\$18.4 million (31 December 2023: N\$100 thousand). The strong contract revenue growth for the period was primarily driven by the sign-up of new customers across Namibia, and higher occupation of the Armada Data Center.

The decrease in HEPS and BEPS (refer note 1) can be ascribed to the increase in the number of ordinary shares in issue, when compared to the 31 December 2023 period, following the rights issue completed in June 2024. At the end of the reporting period, the proceeds from the rights issue were still in the process of being utilised for the deployment of revenue producing infrastructure. Revenue from this infrastructure is only expected to materialise, and gradually ramp up from the second half of the 2025 financial year, as new customers join the expanded network.

For the six months ended 31 December 2024, Paratus Telecommunications (Proprietary) Limited ("Paratus Namibia"), the operating entity, realised recurring revenue of N\$271 million (31 December 2023: N\$249 million), which represents a growth of 8.8%. Non-recurring revenue, which mainly represents Local Area Network installations in the commercial office space and the sale of Telecommunication Equipment, amounts to N\$34.5 million (31 December 2023: N\$25.8 million). This represents a growth of 33.4% notwithstanding management's focus to grow recurring revenue as opposed to lower margin non-recurring revenue.

The net profit before taxation for Paratus Namibia, for the same period amounts to N\$12.7 million (31 December 2023: N\$32 million) and earnings before interest, taxation, depreciation, and amortisation ("EBITDA") amounts to N\$112.5 million (31 December 2023: N\$121.3 million). Operating expenditure for the period ended 31 December 2024 is N\$103 million compared to N\$80.9 million in December 2023. The increase is primarily ascribed to the transformation project that commenced in May 2024. Operating costs attributable to this project for the current reporting period amounts to N\$14 million (31 December 2023: N\$ Nil). In addition, there was a N\$7 million foreign exchange gain which has not repeated in the first half of 2025. The disparity between profit before taxation and EBITDA stems from the large depreciation charges recorded on infrastructure deployed.

The transformation project has two key drivers, the first being the national expansion of the Paratus Namibia network to increase the potential market size and puts Paratus Namibia in the position to connect more Namibians and the second driver is the deployment of the digital software stack to support the operations.

3.2 Capital projects

For the six months ended 31 December 2024, Paratus Namibia invested N\$125.2 million in infrastructure (31 December 2023: N\$75 million), with N\$53.6 million allocated to the transformation project. At the end of the period, work-in-progress amounts to N\$124 million and relates to this project. The majority of the capital expenditure were focused on capacity and network expansion to reach more customers nationally.

3.3 Events after the reporting period

During February Paratus Namibia detected unauthorised activity on its internal IT systems. This cybersecurity incident has affected the Company's operations. Our internal incident response team, in consultation with independent international legal, forensic and cybersecurity advisors, are investigating the incident to determine the scope of security compromise and to restore the Company's information systems. The financial implications of this incident are also currently under investigation and it is expected that the cyber insurance cover in place will alleviate the expected financial burden to reinstate the data compromised by this incident.

3.4 Changes to the Board

In accordance with the Articles of Association, one third of non-executive directors are subject to retirement by rotation. Mr HB Gerdes was subject to retirement at the Annual General Meeting and was not available for re-election. The Board would like to convey our thanks and appreciation to Mr HB Gerdes for his invaluable contribution and dedication towards the establishment, growth and successes of Paratus Namibia Holdings Limited.

Mr IDJ van de Merwe, who has held numerous senior executive positions in the telecommunications sector, was appointed as a non-executive director with effect from 17 September 2024. Mr H Jansen van Vuuren, a Namibian Attorney and a Chartered Accountant with vast experience in the corporate business environment, was appointed as a non-executive director with effect from 23 January 2025.

3.5 Contingent liabilities

As at the date of approval of the financial results, the Board was not aware of any contingent liabilities.

3.6 Dividends declared

The directors declared an interim dividend of 5 cents per ordinary share (31 December 2023: 10 cents per ordinary share).

The dividend amounting to N\$4,945,397 was kept in line with the interim and previous final dividends paid to preserve cash flows for the purpose of infrastructure deployment, which should bode well for future profit growth.

The salient dates of the dividend declared are as follows:

• Board declaration date:	12 March 2025
• Last date to trade cum dividend:	16 April 2025
• First day to trade ex dividend:	17 April 2025
• Record date:	25 April 2025
• Payment date:	16 May 2025

3.7 Appreciation

The Board extends its gratitude to the management team, staff, service providers, and our valued customers for their unwavering support and dedication. We also sincerely thank our shareholders for their continued support and trust in Paratus Namibia Holdings Limited.

By order of the Board

H. Jansen van Vuuren - Chairman of the Board
14 March 2025

REGISTERED OFFICE

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DIRECTORS

H Jansen van Vuuren+** (Chairman), A Hall (MD), BRJ Harmse, SLV Erasmus, Si de Bruin, RR Graig+, JNN Shikongo+, RPK Mendelsohn*, GPJ Duvenhage* and IDJ van de Merwe+**
(+ Non-executive, * Alternate, **South African)

COMPANY SECRETARY

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