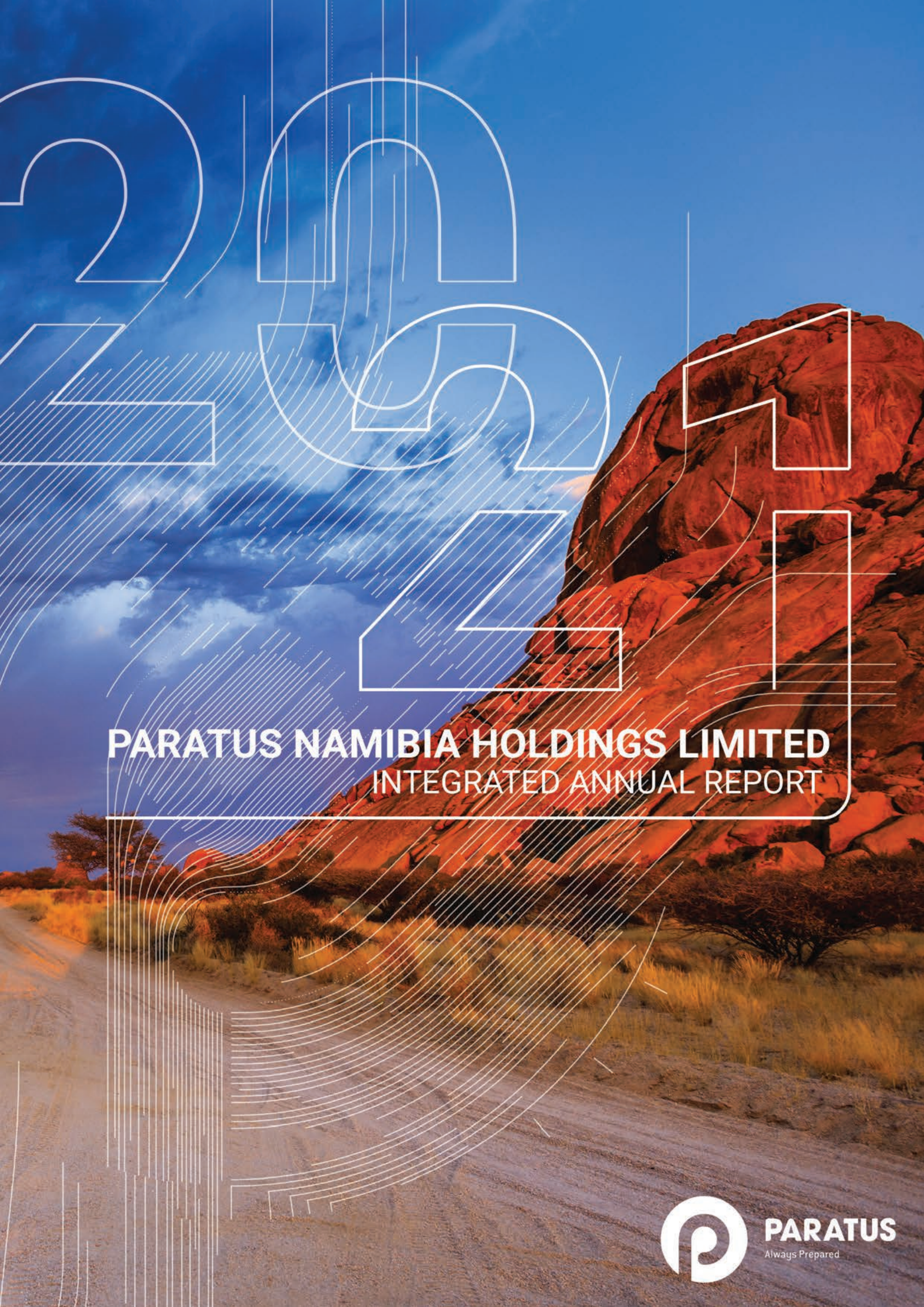


2021

PARATUS NAMIBIA HOLDINGS LIMITED

INTEGRATED ANNUAL REPORT

PARATUS
Always Prepared

2021

HIGHLIGHTS

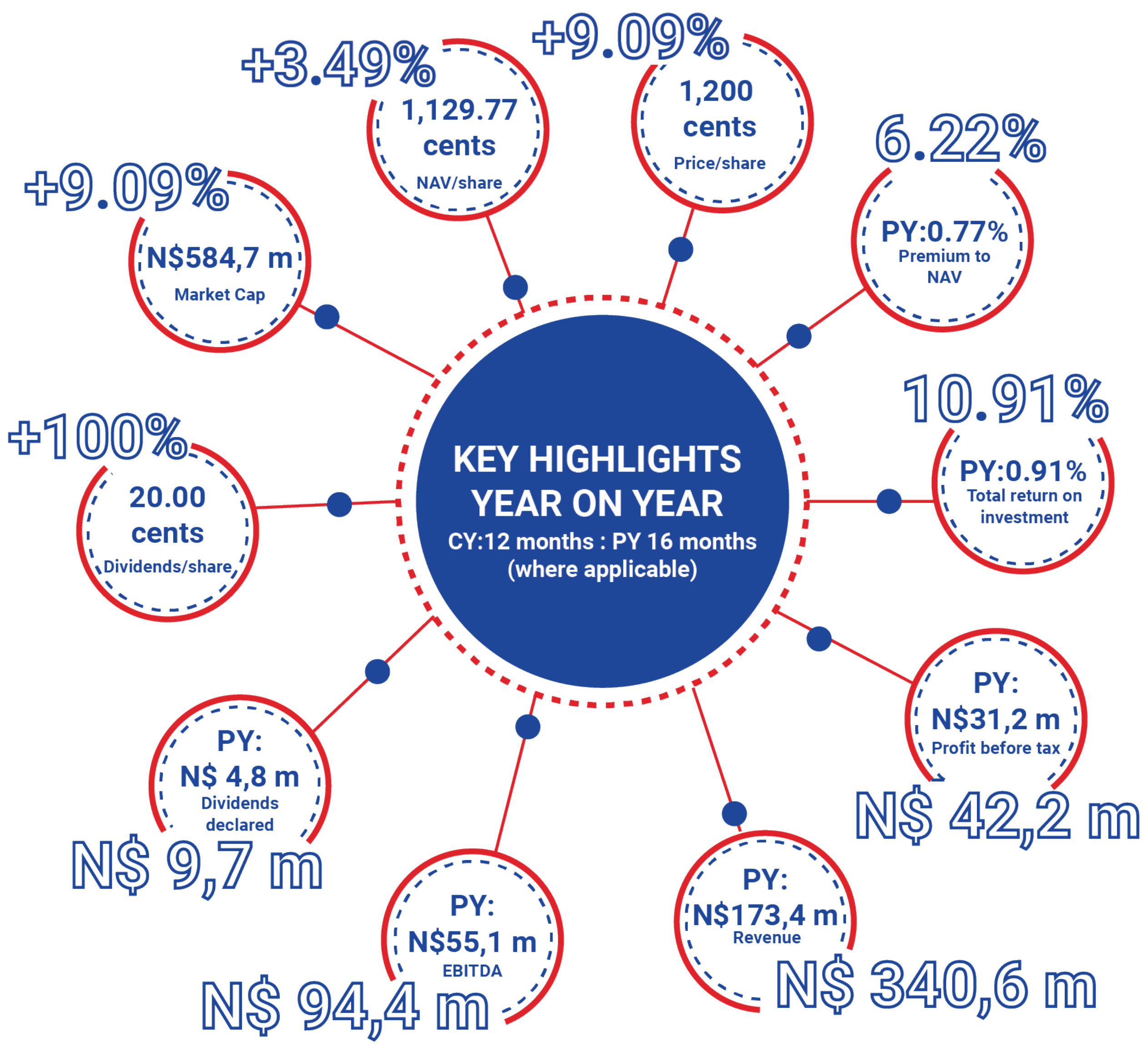


TABLE OF

CONTENTS

ABOUT THIS REPORT 06

ABOUT THIS REPORT

Paratus Namibia Holdings Limited and its subsidiaries ("PNH" or "Company" and/or "Group") take pleasure in presenting the Integrated Annual Report for the year ended 30 June 2021 to its stakeholders.

SCOPE AND BOUNDARY

In this report, we look back on the year's performance, the business model, sustainability, governance, strategy and risks of the Company and Group.

We will specifically focus on the activities and performance of Paratus Telecommunications (Proprietary) Limited ("Paratus" or "PTNA"), a wholly owned subsidiary of PNH and the main contributor, in reporting on the above-mentioned aspects.

We have compiled a concise and condensed Integrated Annual Report, containing the full Group Annual Financial Statements and thus no summarised Integrated Annual Report is issued separately.

MATERIALITY

This report provides information that we believe is of relevance to current and prospective investors, and to any other stakeholders who wish to make an informed assessment of the Group's ability to generate value over the short, medium and long term.

We have sought to ensure that all the information in this report relates to matters that have a material bearing. A matter is material if it could affect the assessment and decisions of the Board of directors ("the Board"), shareholders and providers of financial capital, and affect the Group's value creation over time.

REPORTING FRAMEWORKS

This Integrated Annual Report represents its best efforts to align its reporting with the requirements and principles of the NamCode, the International Financial Reporting Standards ("IFRS"), the Companies Act of Namibia, 28 of 2004 ("Companies Act of Namibia"), and the Namibian Stock Exchange ("NSX") listings requirements.

ASSURANCE

The content of the Integrated Annual Report has been reviewed by the directors and management, but has not been externally assured. The Company's external auditor, PricewaterhouseCoopers, has provided assurance on the financial statements set out on pages 84 to 144 and expressed an unmodified audit opinion.

APPROVAL OF THE INTEGRATED ANNUAL REPORT

The Board acknowledges its responsibility to ensure the integrity of this report and believes that this Integrated Annual Report addresses all material financial matters and provides a balanced overview of the Group. The Board has approved this 2021 Integrated Annual Report for publication.

Hans-Bruno Gerdes

Stuart Birch

Jaco Esterhuyse

Romé Mostert

Josephine Shikongo

Stefan de Bruin

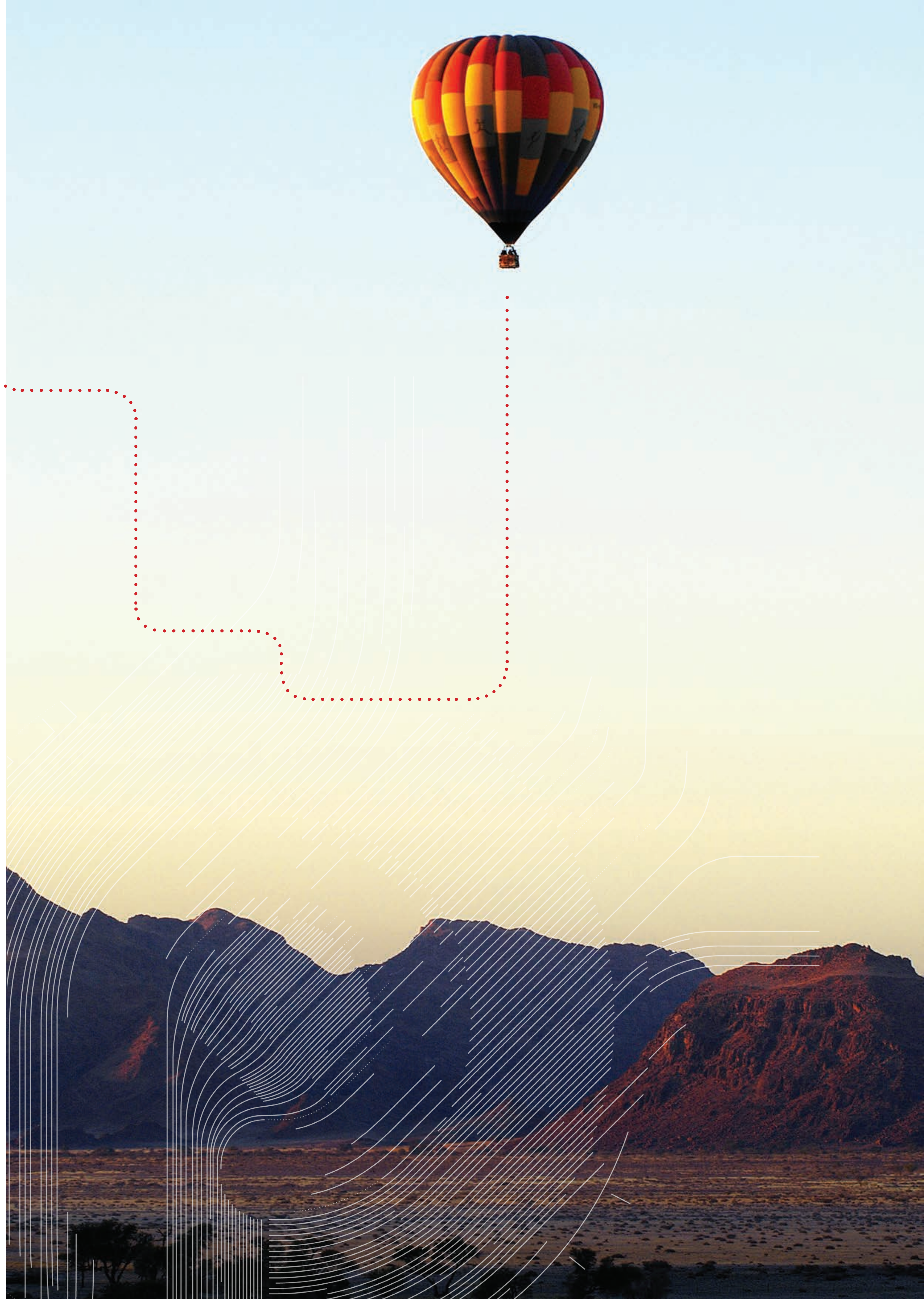
Schalk Erasmus

Andrew Hall

Bartholomeus Harmse

Rolf Mendelsohn

06 December 2021



CORPORATE PROFILE 10

ABOUT PNH

PNH has grown from its humble beginnings of being the first Capital Pool Company ("CPC") to list on the NSX on 6 October 2017 to being admitted to the NSX main board during June 2018, listed in the Technology Sector.

OUR OBJECTIVE

The objective of PNH is pursuing investments in the Information Communication and Technology ("ICT") Sector in sub-Saharan Africa.

OUR GOALS

1 Investing in viable ICT infrastructure projects

2 Efficient allocation of capital to lower costs

3 Benefit shareholders and stakeholders alike

4 Sustainability and future ICT development for Namibia and its citizens

OUR ASSETS

26.5% On 26 January 2018 PNH acquired an interest of 26.5% in Paratus for the total aggregate consideration of N$95 million.

51.4% On 1 June 2018 PNH increased its shareholding from 26.5% to 51.4% in Paratus in terms of the share swap transaction.

100% On 1 January 2020 PNH increased its shareholding from 51.4% to 100% in Paratus in terms of a further share swap transaction.

OUR INVESTMENT STRATEGY

PNH has a clearly defined investment criteria against which any potential investment will be evaluated.

Investment screening goes through a pre-determined process, with various rounds of approval (by the Investment Committee, the Board and the shareholders), depending on the size of the investment.

The Company's investment policy and guidelines will be managed, and the investment strategy implemented, by the Investment Committee, a committee of the Board.

Criteria and targets for investments

A. Investments in Paratus Telecommunications (Proprietary) Limited

- Namibian Infrastructure Projects that complement the existing operations of PTNA; or
- Investments or acquisitions that will add value to the operations of PTNA.

B. Investments in Paratus Namibia Holdings Limited

i. Sector and geographical exposure

- Direct or indirect shareholding in companies operating in the ICT sector, and ICT infrastructure projects, or by purchasing or developing ICT infrastructure assets.
- Geographical exposure limited to Sub-Saharan Africa.

ii. Strategic Ownership

- Not less than 25% holding in a company.
- Special majority veto right on the Board.
- Special majority Board Approval:
  - approval of the Company's business plans and annual budget;
  - material changes in the Company's financial policies;
  - appointment of the Chief Financial Officer.

iii. Key financial considerations

- 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 and a half times (for purposes of this ratio, Preference Share dividends will be deemed to be interest); [(Earnings before interest, tax, depreciation and amortisation) / Finance Cost];
  - Net Debt / EBITDA of not more than three and a half times.

- Liquidity requirements
  - Acid-test or Quick-ratio of no less than 100% [(Current Assets – Inventory) / Current Liabilities]

C. Return requirement on investments

- Calculated per jurisdiction that is being evaluated based on the Capital Asset Pricing Model.
- Capital Asset Pricing Model:
  Required rate of return=Risk free Rate+Equity Risk Premium+Unsystematic Risk Premiums
- Whereas the Equity Risk Premium is calculated by way of a macroeconomic model.

OUR RETURN TO SHAREHOLDERS

The Board shall attempt to pay dividends to provide shareholders with a dividend yield in terms of the following principles:

- Provide for a dividend pay-out policy of not more than 50% of the net income after tax (excluding positive fair value adjustments of financial assets which are non-cash flow items);
- Apply principles in the approved budget adjusted for the actual results;
- Make provision for cash requirements in respect of budgeted cash commitments;
- Allow for reasonable reserves to carry on with the business; and
- Apply a consistent and prudent accounting policy which is IFRS compliant.

PARATUS NAMIBIA HOLDINGS LIMITED INTEGRATED ANNUAL REPORT 2021

ABOUT PNH (CONTINUED)

SIGNIFICANT EVENTS IN OUR HISTORY

PNH'S TIMELINE

JUNE 2017
Date of incorporation
30 June 2017

SEPTEMBER 2017
Pre-listing statement
25 September 2017

OCTOBER 2017
Listing on NSX
06 October 2017

NOVEMBER 2017
Paratus transaction circular
16 November 2017

JANUARY 2018
Acquire 26.5% of Paratus
26 January 2018

JUNE 2018
Acquire 51.4% of Paratus
Share swap transaction
1 June 2018
CPC to main board listing
29 June 2018

JULY 2018
Rights issue
20 July 2018

JANUARY 2020
Acquire 100% of Paratus
1 January 2020

MAY 2020
Maiden dividend
declared on
19 May 2020

SEPTEMBER 2020
Final dividend declared on
22 September 2020

MARCH 2021
Interim dividend declared on
18 March 2021

PTNA'S TIMELINE

2005
ITN starts trading commercially

2006
Launch first commercially available MPLS solution

2007
Wimax roll-out

2008
Commission Omajowa 2 VSAT Earthstation

2009
ITN Group is formed

2010
Commission VSAT Hub in Rugby London

2011
First private cross-border connection to SA

2012
Awarded comprehensive telecommunications license
First private cross-border connection to Zambia

2013
Connect to WACS
Launch voice as a service with 083 number range

2014
Name change to Paratus
Acquisition of Vox Telecom Namibia

2015
Acquisition of Canocopy
Completion of Paratus HQ building
Commission Private Cloud solution
Completion of Fiber ring in Windhoek

2016
Launch of Mobile LTE in Windhoek
FTTx deployment in Windhoek

2017
Launch of Nimbus
TKF completion Swakopmund to Windhoek

2018
TKF completion Windhoek to Buitepos
FTTx deployment in Swakopmund
Revival of Omajova Earthstation
Fiber between Walvisbay and Swakopmund

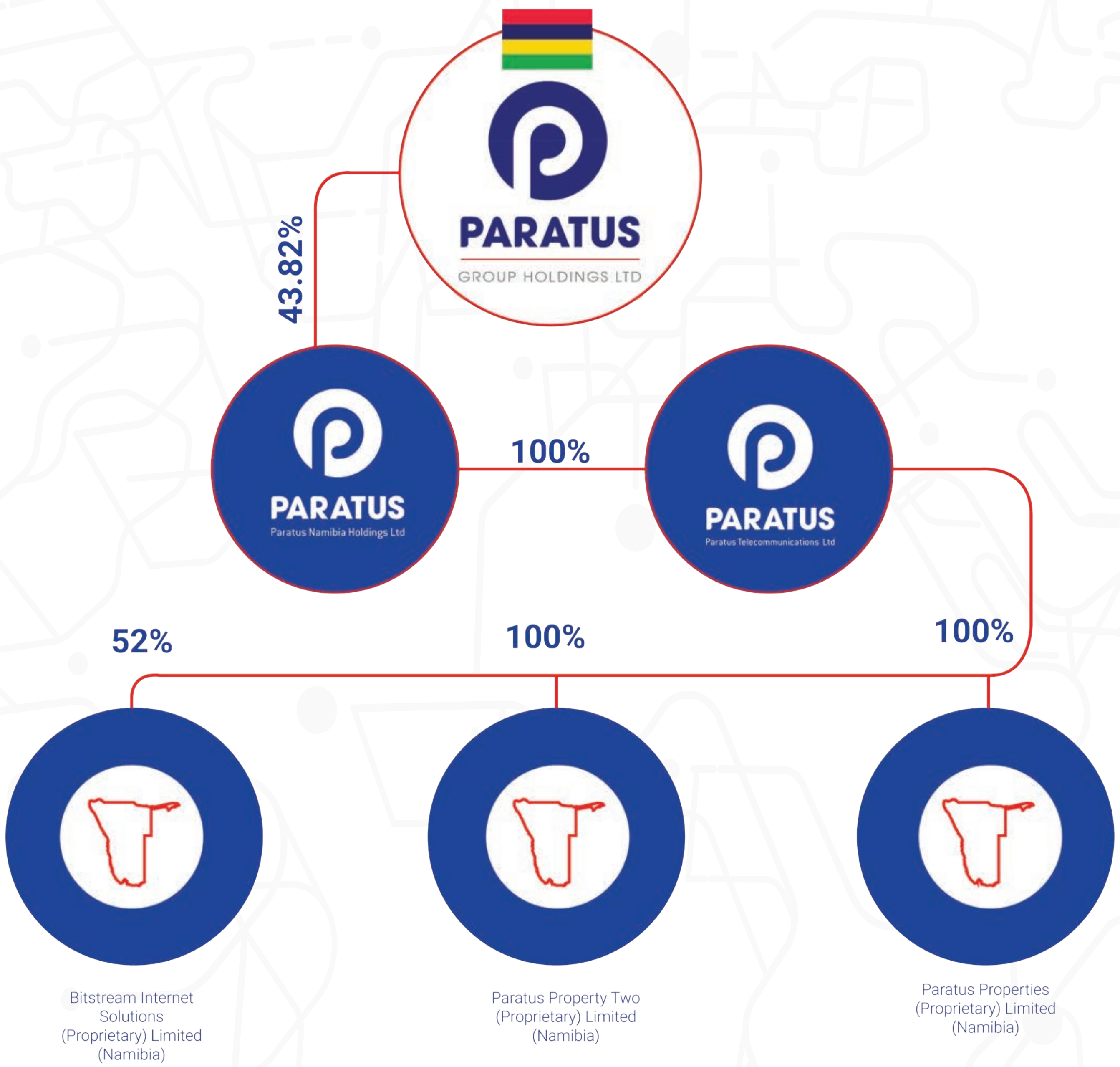
2019
Mobile LTE in Swakopmund, Walvis Bay and Okahandja
FTTx deployment in Walvis Bay
TD-LTE Upgrade

2020
Start Construction of the CLS in Swakopmund for Equiano
Start with Fiber deployment in Grootfontein
Deployed LTE in Rehoboth
Deploy Sky-Fi in Rehoboth, Oshakati and Keetmanshoop

2021
Start Construction of the DC in Windhoek
Start with fiber installation from Ondangwa to Oshakati
Deploy Sky-Fi in Katima Mulilo and Gobabis
Fiber network expansion in Windhoek, Walvis Bay,
Swakopmund, Gobabis, Okahandja and Otjiwarongo

ABOUT PNH (CONTINUED)

OUR STRUCTURE



MORE ABOUT PARATUS

WHO WE ARE

Connecting our country, our continent, our world.

THINK BIG.

Based in Windhoek, Paratus, a wholly owned subsidiary of PNH, is part of the Paratus Group, which is the largest privately owned pan-African network operator. At Paratus we believe in finding new ways to get things done and that is why Paratus will go the extra mile to meet opportunity head-on and bring connectivity to you and/or your business. Paratus offers the private- and corporate sectors various access technologies such as fiber, microwave, V-SAT, and mobile LTE. These are all provided on a stable, reliable, and unlimited network that is scalable and provides redundancy, disaster recovery and route diversity to ensure maximum uptime. Paratus also hosts its own Earth station, linked to the fiber backbone, allowing capacity to be distributed countrywide.

In delivering Africa's quality network, Paratus thinks big and believes passionately in the potential of Africa. The Company is investing in infrastructure and in delivering unlimited, reliable and affordable connectivity which, in turn, will help unlock Africa's potential.

We deliver world-class technology through passionate and committed employees who ensure that each customer experience is a valuable one.

Paratus' total head count has grown from the prior year from 189 employees to 202 employees.

We have spent a total of N$95,520,459 over the past 12 months on employee renumeration.

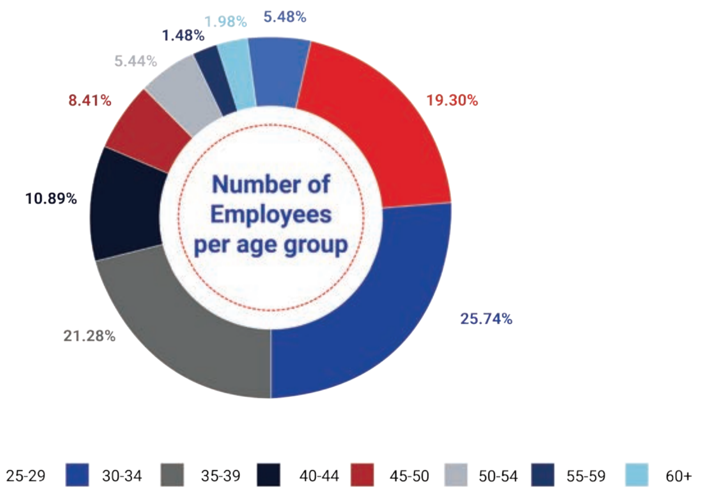
PY:189

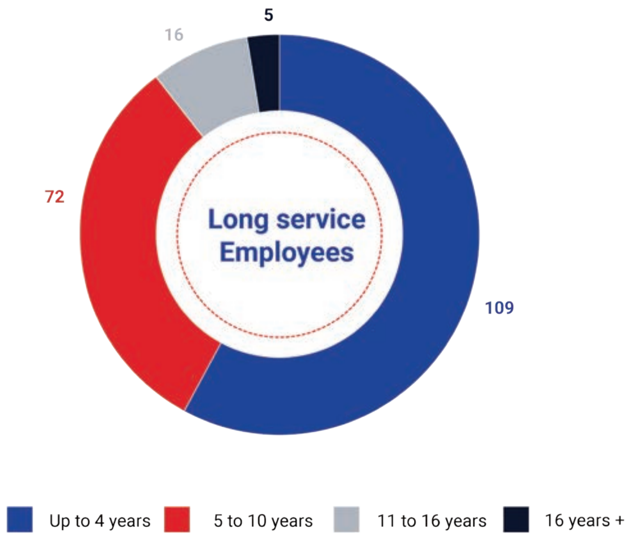
202

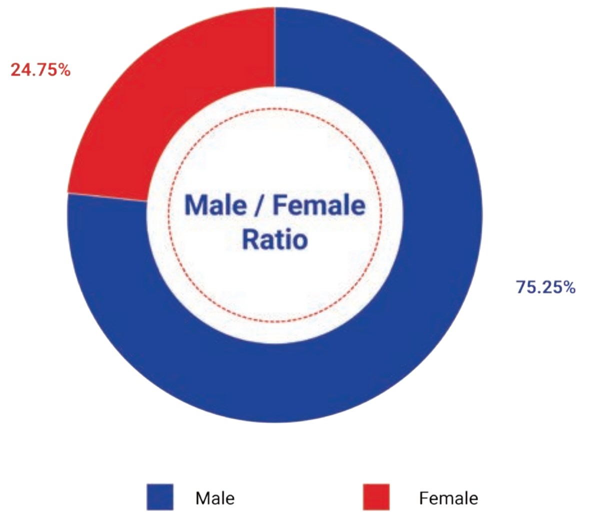
PARATUS NAMIBIA HOLDINGS LIMITED
INTEGRATED ANNUAL REPORT 2021

MORE ABOUT PARATUS (CONTINUED)

WHO WE ARE (CONTINUED)







NAMIBIA

MORE ABOUT PARATUS (CONTINUED)

WHERE WE OPERATE

Operates 5 branches being:

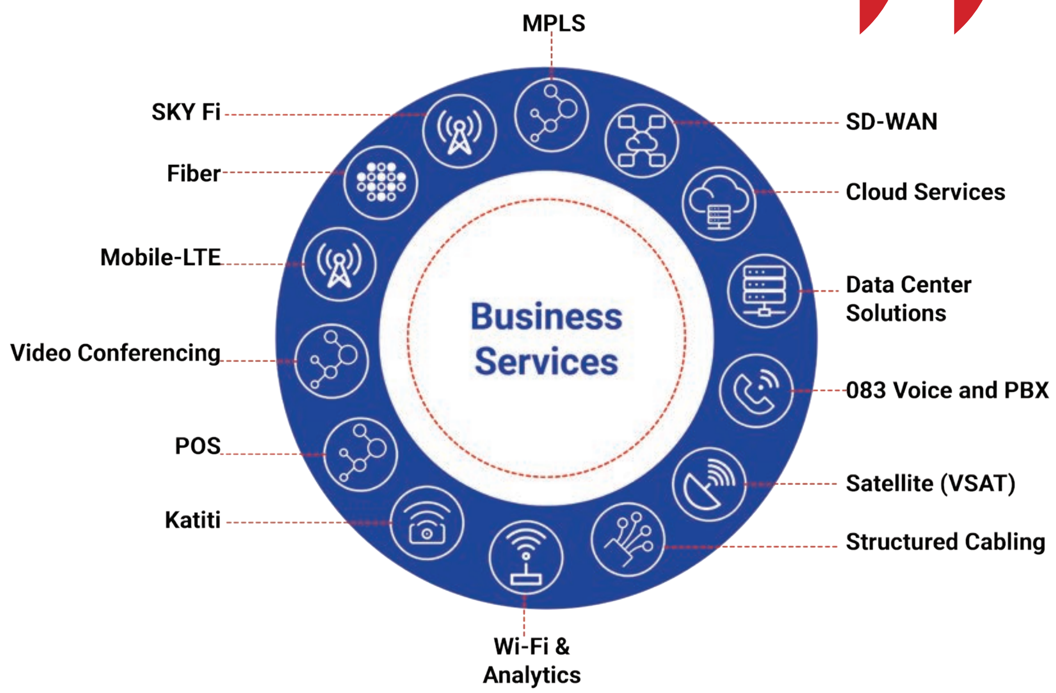
1. Head Office @ 104 - 106 Nickel Street, Prosperita
2. Windhoek Grove Mall Retail outlet
3. Walvis Bay Branch
4. Swakopmund Food Lover Market Retail outlet
5. Ongwediva Branch at Oshana Mall

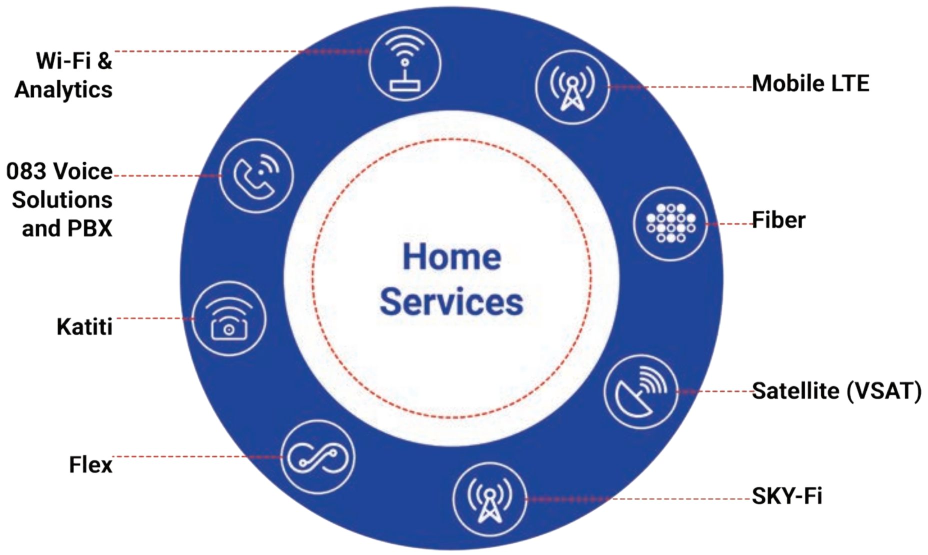
Alongside its branch network, Paratus has a reseller network assisting our clients to gain access to the full network experience.

MORE ABOUT PARATUS (CONTINUED)

WHAT WE OFFER

The support you need,
when you need it.





Multiprotocol Label Switching (MPLS)

Establish secure, private, reliable VPN connectivity via Paratus' global MPLS network rooted in Africa. With Service Level Agreements ("SLA") and our 24/7 Network Operations Center ("NOC") support, we ensure the best possible WAN performance and uptime for your business.

Software Defined Wide Area Network (SD-WAN)

Establish a secure VPN via affordable conventional broadband last-mile circuits, without sacrificing the QoS, traffic, and Management & Performance visibility you've grown accustomed to with MPLS. The Paratus SD-WAN platform, hosted on our own dedicated in-country infrastructure, provides you with a versatile, no-fuss, end-to-end managed solution to get your business connected. Hybrid MPLS solutions are also available.

Cloud Services

Keep your business documents and communication secure and readily available with state-of-the-art cloud solutions. Paratus Hosted Services provide, amongst other things, public, private and hybrid cloud solutions with guaranteed availability based on robust data centers and connectivity.

Data Center Solutions

Your business data is your most valuable asset; managing and protecting this data is vital. At Paratus, we are committed to leading digital transformation by offering organisations the very best options of choices in innovative and world-leading ICT solutions. This commitment has led to the investment and deployment of our world-class Data Center, meticulously designed to provide our clients with a highly secure, highly available and fully resilient technology environment to help transform and unlock their digital potential. Unlimit your business with ICT solutions that not only keep your equipment and data safe, but also allow you to maximise your resources so that you can do more.

083 Voice Solutions and PBX

Reliable communication options that combine high quality with affordability. Paratus is Namibia's leading managed voice provider with various solutions to cater for any voice requirements you may have. Whether it's PABX, mobile LCR or custom solutions, we offer the full range of services to ensure you never miss a call. Backed by world-leading service and support, you can trust us for reliable, affordable voice solutions.

PARATUS NAMIBIA HOLDINGS LIMITED | INTEGRATED ANNUAL REPORT 2021

MORE ABOUT PARATUS (CONTINUED)

WHAT WE OFFER (CONTINUED)

Satellite (VSAT)

Wherever your business is, that's where we are too. Paratus offers sophisticated VSAT solutions for all regions in Namibia and Sub-Saharan Africa. Whether it's a lodge, guest farm or mine, we'll connect you to the Internet, and the world with VSAT technology. Use this in a pay-as-you-go mode, pool bandwidth for multiple sites, or cap your consumption – we can tailor it to your needs.

Structured Cabling

Paratus has a fully certified team of professionals who ensure that the Paratus values of service and quality are embodied in your customised Structured Cabling solution. Be it for your office or building, our methodical approach, using high-quality equipment and cabling, ensures you have a lasting investment and that your staff are reliably connected. In fact, we are so confident in our work that we offer a 25-year warranty.

Wi-Fi & Analytics

Provide your staff or customers with class-leading Wi-Fi with Paratus Wi-Fi solutions. Whether you need a single access point or multiple access points at each of your branches nationwide or internationally, we can give you central control with excellent coverage and unrestricted throughput. Need control? No problem, choose from a range of options to restrict users to time or consumption or both, and use various other methods. Create landing pages that can be adjusted for different scenarios and add analytics to the solution to have a complete view of your customer base or potential customer base. Analyse trends such as number of visits and where there are higher concentrations of customers. The possibilities are endless.

Mobile-LTE

As humans, we are meant to connect. To communicate, share, laugh, and learn from each other. The more we can do it, the better. Mobile LTE provides wireless Internet technology and is born from our passion to help people connect. This platform offers reliable connectivity that is immediate and constant. All backed by our experienced support team and 24/7 service. Enjoy high-speed browsing, fast down and uploads, and trouble-free connections that allow you to think and live big.

Katiti

Unlimit your business potential from the palm of your hand with Katiti! Earn commission on re-selling of electricity, water, DStv subscriptions, and recharge vouchers.

POS (Point of Sale)

Paratus POS solutions give your business transactions uncompromised security and connectivity with none of the variables. No more variable charges, no more interpreting LED signals and no more waiting on the helpline. Rapid transactions, 24/7 support and full data encryption are just some of the benefits when switching to Paratus POS.

Video Conferencing

Save the travel costs and change the way you experience online meetings with Paratus Video Conferencing. Hosted by our trusted Polycom and Starleaf brands, you'll enjoy professional video conferencing that's fast, reliable and seamlessly operated.

Fiber

With Fiber technology, we bring fast and reliable Internet to your home or business. With a wide variety of options, you can download, stream, Skype, chat and browse without losing connectivity or speed. Fiber technology uses flexible glass fibers to transmit data. The data travels at the speed of light, making latency and loading time as low as possible. The data transmission delay is significantly lower than with any other existing technology.

Sky-Fi

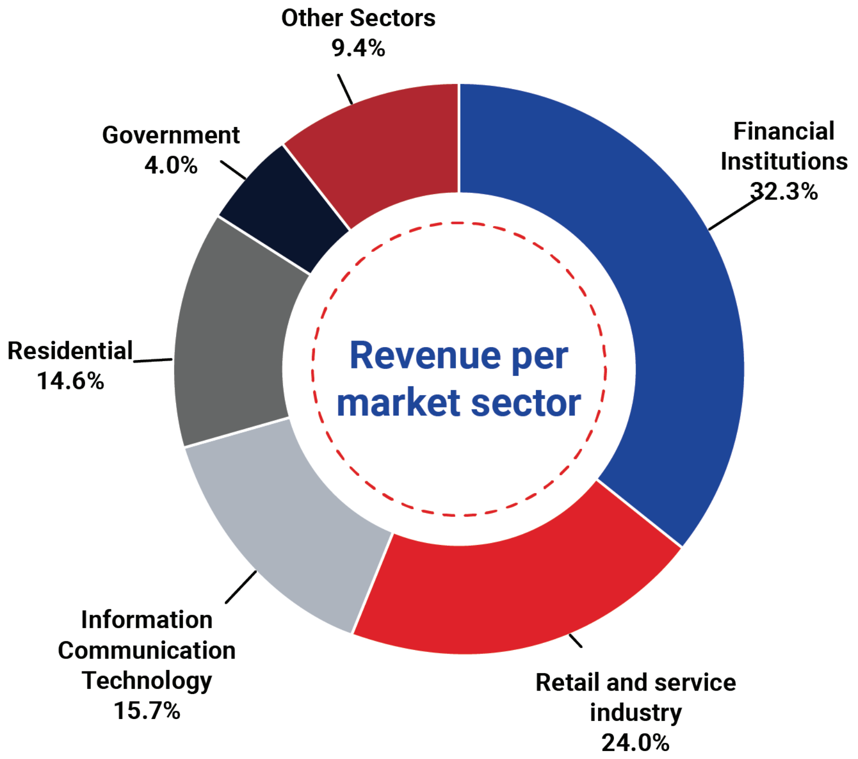
Sky-Fi is a wireless connection transmitting signal through microwave technology, also known as "Air Fiber" (Fiber Type services via the Air). This service is ideal for customers who are not in the coverage area of Fiber

Flex

Get the freedom to enjoy connectivity in more than one place and enjoy the reliability of Fiber and the mobility of Mobile-LTE when on the go.

MORE ABOUT PARATUS (CONTINUED)

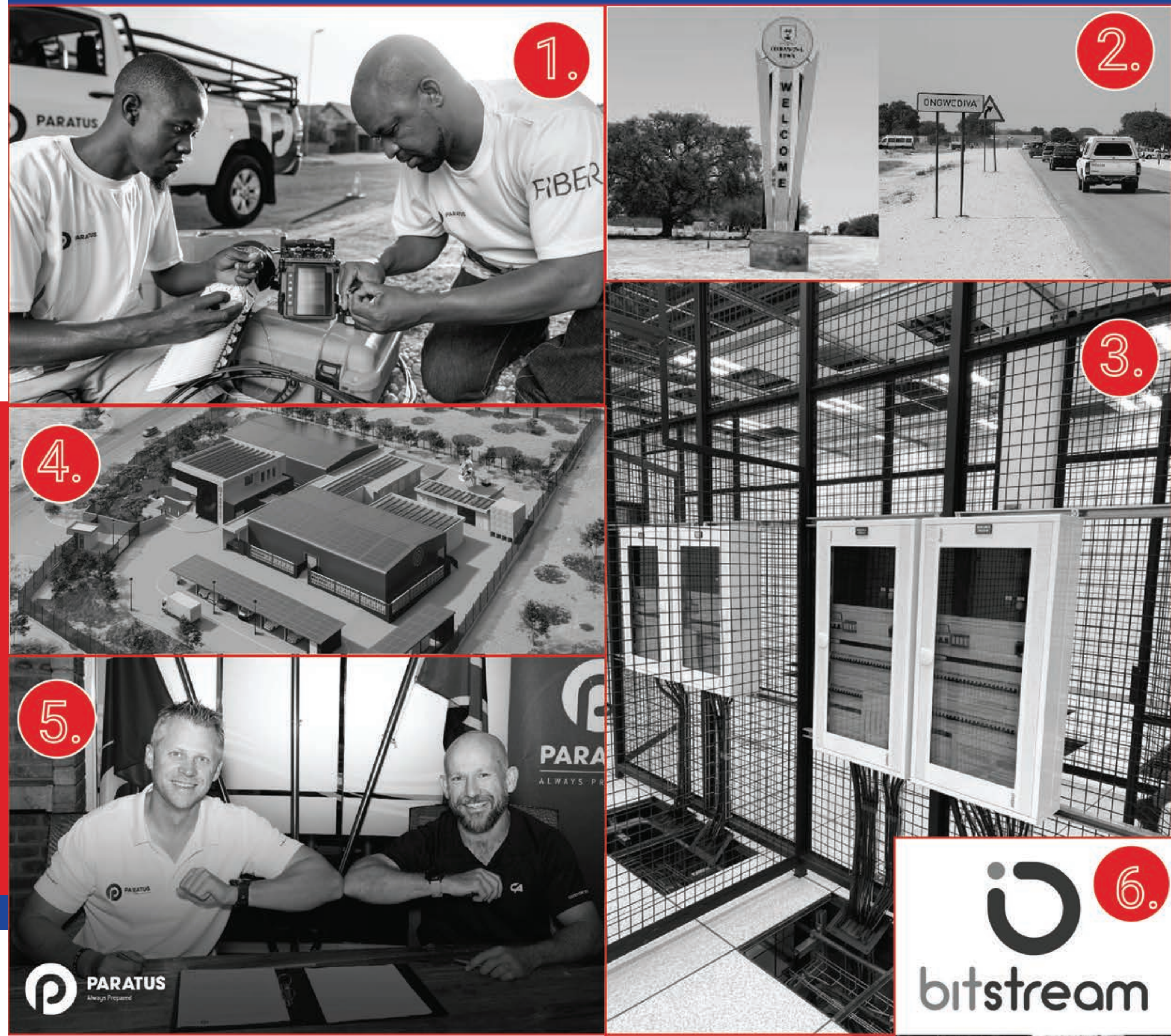
WHO ARE OUR CUSTOMERS



Manufacturing	Information Communication
Construction	Financial Institutions
Residential	Retail and service industry
Education	Agriculture
Tourism	Technology
Government	Mining

DELIVERY ON OUR STRATEGY

1. Fiber
2. Northern expansion
3. Equiano Cable Landing Station
4. Data Center
5. Open access
6. Bitstream



MORE ABOUT PARATUS (CONTINUED)

OUR 2021 STRATEGY ASSESSMENT

Reviewing our progress in delivering on the 2021 strategy and setting new strategic goals for 2022

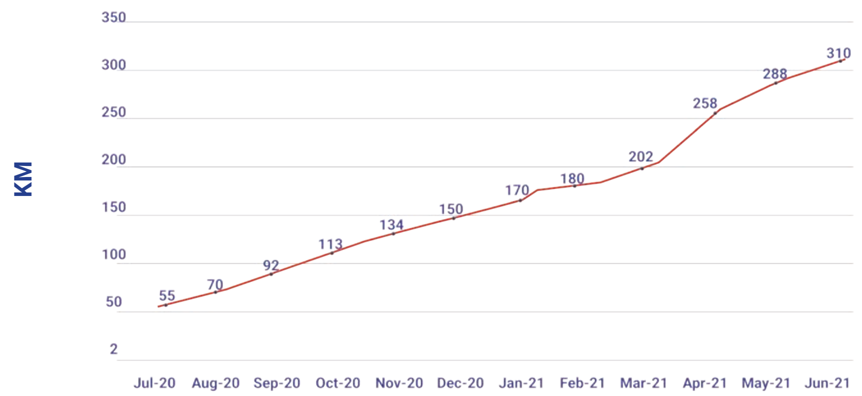
Strategy	Action	Assessment	Read more about it
Footprint	Fiber rollout and mobile data deployment	Achieved	1, 2
Outlets	Opening of additional outlets	Ongoing	2
Service offering	Construction of a data center Infrastructure sharing Automate the back-office system	Ongoing Achieved Ongoing	4, 5
Strategic acquisitions	Bitstream acquisition	Achieved	6
Strategic partnership agreements	Construction of the Equiano submarine cable landing station Cable to land	Achieved Ongoing	3 3
Financing	Registered listed bond program on the NSX	Achieved	7

Assessment
Achieved
Ongoing

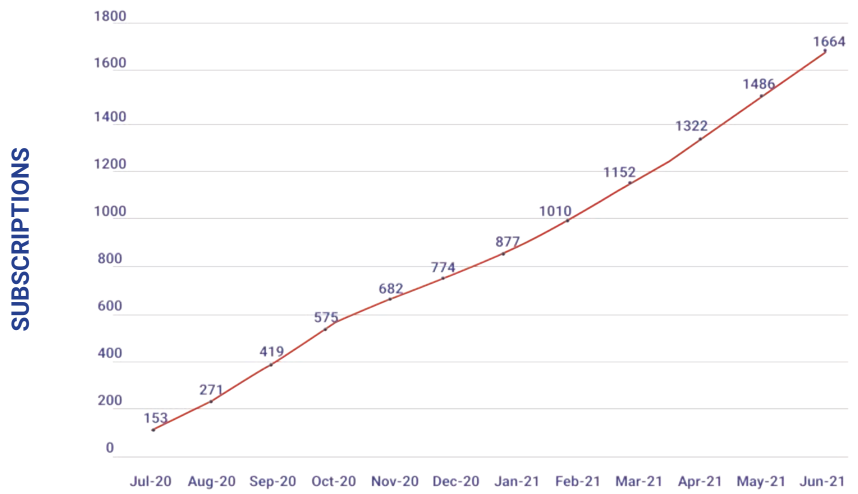
1. Expand the national footprint
Fiber rollout

Paratus rolled out a total of 310km of fiber compared to the previous year's 249km. These fiber rollouts were made up of network expansion in Windhoek, Walvis Bay, Swakopmund, Gobabis, Okahandja and Otjiwarongo. We also expanded our fiber footprint to Grootfontein. We gained good traction in the consumer market as many of the new rollouts were focused on residential areas.

TOTAL FIBER INSTALLED FOR THE YEAR



FIBER SUBSCRIPTIONS FOR THE YEAR



SkyFi
Expansions were done to include Ondangwa and Katima Mulilo. A total of 24 new sectors were added to the network to accommodate the growth.

LTE
Additional sites were added to improve coverage and improve customer experience.

2. Northern Expansion
Paratus has embarked on a substantial infrastructure roll out with a fiber deployment from Ondangwa through Ongwediva to Oshakati. Once this is complete other last mile technologies will also be deployed in the 3 towns with a new branch opening in the second quarter of the new financial year.

3. Equiano Cable Landing Station
We started with construction of the Equiano submarine cable landing station in Swakopmund. The building was completed during this year and the cable is expected to land in the last quarter of 2022. The cable will offer Namibia much needed redundant international capacity. It will also offer 20 x more capacity than any other submarine cable currently deployed in the region.

4. Paratus Data Center
Construction of the new Paratus data center (Tier 3 equivalent) 20km north of Windhoek has commenced. This is a N$123 million project expected to be completed in the third quarter of 2022. With the ever-increasing demand for cloud and virtual solutions, the data center will allow customers access to a world class facility to host their offsite solutions. Paratus will also be expanding its current cloud offering which will be accommodated inside the facility. The data center will also enable international operators to bring their content closer to the customers in Namibia and Southern Africa with a well-known international company already taking up 40% of the first phase of the facility, improving international customer confidence.

5. Open Access
Paratus has signed multiple open access agreements with licensed operators in Namibia. This will allow these operators to make use of Paratus' fiber network to deliver connectivity and services to their customers without having to make the substantial investment in a fiber network. Paratus advocates Infrastructure sharing as prescribed by the Communications Act.

6. Bitstream acquisition

Paratus acquired a 52% share in a well-established Internet Service Provider ("ISP") in Walvis Bay called Bitstream. The acquisition has unlocked synergies for both companies as we can leverage from the extensive Paratus infrastructure deployed at the coast and have access to upsell to an established customer base.

7. Bond Listing
During May 2021 PNH established a N$1 billion Domestic Medium-Term Note Programme ("DMTNP") pursuant to a Programme Memorandum. During June 2021 a first tranche of N$200 million was raised through the NSX registered DMTNP. The N$200 million raised consists of the following:

- N$175 million in Senior Unsecured Floating Rate Notes maturing on 18 June 2024 and bearing interest at 300 basis points above the 3 Month ZAR JIBAR rate.; and
- N$25 million in Senior Unsecured Floating Rate Notes maturing on 18 June 2026 and bearing interest at 325 basis points above the 3 Month ZAR JIBAR rate.

N$66 million of the proceeds were utilised to settle the Development Bank of Namibia term loan and the remainder of the loan capital is to be utilised to fund the Cable Landing Station and Data Center.

The full DMTNP is available on our website:

https://invest.paratus.africa/docs/DomesticMedium-TermNoteProgramme.pdf

STRATEGY FOR 2022

Strategy	Action
FOOTPRINT	Growing our network footprint Nationally with expansion of our fiber and radio access network infrastructure.
OUTLETS	Open a Paratus branch in the north of Namibia – with the extensive infrastructure roll out underway in the north we plan to open a new branch to enable improved service delivery to our customers in the region.
OUTLETS	We will continue to grow our consumer customer base which currently only contributes to about 14% of our revenue. This will be achieved with a focus on infrastructure deployment in residential areas. Paratus has already opened 2 retail shops with a planned 3rd one in the future.
SERVICE OFFERING	Online Signup – we will launch an online signup platform where customers can sign up for services from the comfort of their home. The aim is to make the customer journey as frictionless as possible while adopting to the new norm as a result of the COVID-19 pandemic.
SERVICE OFFERING	Open Access – we will continue to drive infrastructure sharing in Namibia enabling ICT development and creating entrepreneurial initiatives while at the same time increasing the return on investment on our infrastructure deployment.
SERVICE OFFERING	We will continue to innovate with our product offerings by means of bundling packages and leveraging on ever improving technology to connect as many of the Namibian population as possible. The landing of the Equiano submarine cable will also be a significant contributor to achieving this goal.
SERVICE OFFERING	We continue to improve our back-office systems by means of business process automation for improved customer experience and efficient use of resources. We have already completed phase one of our automation process.
CORPORATE SOCIAL RESPONSIBILITY	Paratus will focus exclusively on Education as a Corporate Social Responsibility to get as many schools online as possible. Investing in the future generation of our country.

MORE ABOUT PARATUS (CONTINUED)

OUR BUSINESS MODEL

CREATING VALUE

We secure access to spectrum, invest in mobile and fixed networks and information technology, develop and distribute a wide range of products and services tailored to our market segments. Connectivity is the conduit between opportunity and success. We work to deliver both.

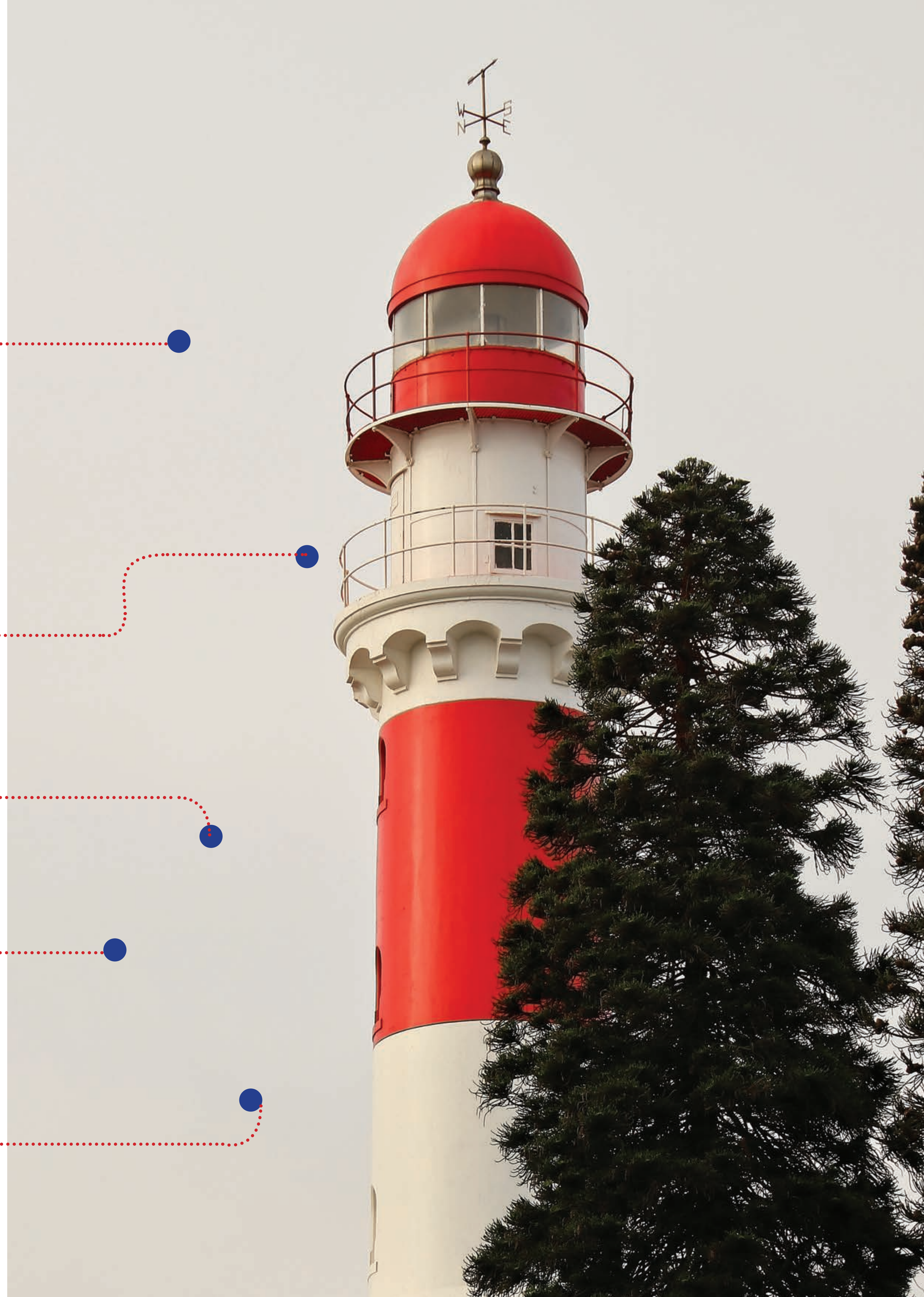
These activities enable us to ensure customer growth, revenue growth, return on investments and reinvestment in infrastructure that we rely on to do business and to deliver on our core purpose: pushing the limits, to keep you connected to your ambitions, your world, your future. The interdependencies with the capitals are provided on page 28.

Spectrum, network and IT infrastructure
A number of our services require us to have access to spectrum. We strive to secure this access through compliance with the Communications Act and proactive engagement with the regulator, CRAN. Our 2021 strategy gave rise to us investing substantially in network infrastructure and to expand fixed broadband assets (cable and fiber).

Procurement activities
The Paratus Group has grown into a full-service network spanning across 6 African countries and connecting customers internationally. The Paratus Group connects more than 28 African countries with ICT products and services. When it comes to our procurement activities we leverage off the established group procurement practices and agreements with reliable vendors.

Services offerings
We offer a wide range of services. We continuously strive to understand our customers and meet their needs. We believe each customer experience should be a valuable experience.

Building our brand
We are building a brand as strong as our service offering. We're not here to meet expectations, we're here to exceed them. We push the limits to create unlimited possibilities.



MORE ABOUT PARATUS (CONTINUED)

SHARING VALUE-INTERDEPENDENCIES WITH THE CAPITAL

	CAPITAL	INPUTS	ACTIVITIES	OUTPUTS	OUTCOMES
FINANCIAL CAPITAL	Access to cost-effective financial capital – such as equity, debt, reinvestment and other financial instruments – is an essential basis for sustaining and creating further value.	**N$ 584,7 million market capitalisation** Market capitalisation; Robust balance sheet; Cash generated from operations; Continued focus on strong financial discipline; Good track record of responsible financial management practices	Debt management; Smart capital expenditure deployments; Maintaining strong finance team; Maintaining strong corporate governance	Paratus interest paid N$6,9 million Paratus EBITDA N$93,1 million Paratus Revenue growth N$1,3 million like-for-like period Paratus Revenue generated N$336 million PNH Dividends paid 20 cents per share	Return on investment; Resilient and efficient balance sheet with strong cash flows; Market capitalisation
MANUFACTURED CAPITAL	Our substantial financial investment in our networks, fiber; and public infrastructure has given us the capacity to generate longer -term returns.	**310 Km additional fiber installed** Well maintained and functional infrastructure; Maintaining opportunities for growth, Reliable provision of services from service providers and contractors	Maintaining our network; Targeted capital investments	Investment in infrastructure (Refer to fiber rollout page 24)	Improved bandwidth; Internet access to consumer and enterprise market; Lower cost of data/bandwidth; Technology and Infrastructure enhancement; Capital growth
HUMAN CAPITAL	Everything we do depends on the motivation, skills, safety and diversity of our employees, contractors, partners and service providers.	**202 employees** Competency; Capability; Industry-specific experience; Motivation; Experienced leadership	Competitive remuneration; Employer of choice; Range of benefits; Training; Incentive programmes; Ongoing engagement with service providers and other stakeholders	Total spent on employee remuneration N$95,520,459 Performance measurements; Udemy activity report; N$557,874 invested in training Increased number of employees; Incentives paid; (Refer to Remuneration report on pages 70 to 75)	Effective and efficient operations; Attracted, motivated, and retained the desired talent
SOCIAL AND RELATIONSHIP CAPITAL	Trusted relationships with all our stakeholders are essential to maintaining our reputation and licence to operate, and to enabling us to deliver on the strategy.	**1664 new subscribers** Constructive engagements with key stakeholders; Investor confidence; Positive service provider relationship; Trusted brand and reputation	Create and maintain inclusive and mutually beneficial relationships with stakeholders; Delivering societal value through connectivity; Strong governance process	Infrastructure development (Refer to page 25); Improved sustainability (Refer to Corporate Social Responsibility and Sustainability report on page 34;); Employment (Refer to page 15); Customers (Refer to page 22); Stakeholder engagements (Refer to page 30)	Strong employee relations; Improved economy; Improved community; Sustainable business; Strong regulatory compliance
NATURAL CAPITAL	Spectrum, energy and land	**Radio spectrum** Fixed LTE 2505-2525 MHZ paired with 2625-2645 MHZ Mobile LTE 1840 -1860 MHZ paired with 1745-1765 MHZ Fixed PTP 8 Ghz; 15 Ghz; 18 Ghz	Operational efficiencies; Reduce carbon footprint with a specific focus on E-waste and green energy; Reduce impact on the environment	Social-economic development (Refer to Corporate Social Responsibility and Sustainability report on page 34) (Refer to Remuneration report on pages 70 to 75)	Responsible corporate citizen
INTELLECTUAL CAPITAL	Delivering on our strategy requires a strong performance-based ethical culture; the use of our "know-how"; proprietary and licensed technology; procedures and processes to produce the most efficient and effective outcomes.	Governance structure; Risk management; Investment advisory services; Management resources; Continued investment in technology	Developing and implementing corporate governance; Asset management; Controls and processes; Enterprise risk management	Effective systems and processes; Mitigating controls; Risks and opportunities; Income-generating assets (Refer to our ARC report on pages 64 to 68 and our corporate governance report on pages 58 to 61)	Ethical culture; Effective controls; Execution of strategy

The Integrated Annual Report is one of our primary modes of communication with our stakeholders.

Our relationships with our stakeholders are critical to our ability to create value. By establishing and maintaining a constructive relationship with our stakeholders, we enhance our business sustainability by being better equipped to address any emerging trends and issues that may impact our business, and how to prioritise them.

Effective stakeholder engagement is not only crucial for the growth of the Group, but is also an essential component of sound governance.

MORE ABOUT PARATUS (CONTINUED)

ADDRESSING STAKEHOLDER INTERESTS

	WHAT MATTERS TO THEM	WHAT MATTERS TO US	HOW WE COMMUNICATE	IMPACT ON CAPITALS
SHAREHOLDERS AND POTENTIAL FUTURE INVESTORS	Return on investment; Strategy execution; Compliance with regulatory requirements; Sustainability	Stable shareholder base; Ability to raise capital in the debt and equity market; Deliver acceptable return on investment for the investors; Sustainable business model	(Annual) General meetings; Namibian Exchange News Service ("NENS"); Investor presentations; Integrated Annual Report; Website	
FINANCIERS	Solvency and liquidity; Capital management; Sustainability; Risk management	Access to funding to implement strategy; Funding for future acquisitions; Return on investments	Adhoc meetings; Credit reviews; Integrated Annual Report; Website	
EMPLOYEES	Job security; Fair remuneration; Skills development; Favourable working conditions; Training and development; Transformation; Health and Safety	Attract, motivate, and retain the desired talent; Employer of choice	Monthly staff meetings; Direct communications with line managers; Written communication; Training and development goals; Performance appraisals; Market-related compensation; Short-term incentives	
GOVERNMENT AND REGULATORS	Social responsibility; Compliance with regulations and relevant legislation; Usage of spectrum	Sustainability through best practices; Compliance with regulations; Maintaining a good relationship with the regulators; Licence authorisations; Tax-related matters	Regulatory and other reporting; Regular meetings; Integrated Annual Report; Press releases; Website	
CUSTOMERS, (EXISTING AND POTENTIAL)	Product /service quality and consistency; Pricing; Security of supply; Performance reliability	Stable customer base; Organic growth of existing and new customers	Integrated Annual Report; Regular meetings; Website; Client functions and promotions; Leaflets, pamphlets, flyers and brochures	
LOCAL COMMUNITIES	Safeguarding the environment; Local recruitment; Local economic development; Infrastructure development; Social economic development; Transparency of performance; Affordable data prices	Building and maintaining fruitful relationships and partnerships with stakeholders; Minimise environmental harm; Make a meaningful impact in communities	One-on-one meetings; Contracts; Site visits; Recruiting locally; Website, Facebook, Twitter; Integrated Annual Report; Complaints and grievance procedure	
CONTRACTORS, SUPPLIERS AN SERVICE PROVIDERS	Contractor security in the current climate; Overall sustainability of Company; Transparency of procurement processes; Ethical conduct; Contract terms and performance	Professional service; Provision of specialised skills and knowledge; Contract terms and performance; Continuous and timely supply of goods and services	Direct supplier engagements; Contracts; Integrated Annual Report; Website	
SPONSORS	Services delivered fit client's needs	Understanding our needs when acting as an intermediary	Regular meetings	
MEDIA	Transparency; Operating and financial performance; Being informed of key activities and offerings	Accurate reporting by media; Company performance; Good corporate citizenship	Press releases; Results presentation; Integrated Annual Report; Interviews	

MORE ABOUT PARATUS (CONTINUED)

MEASURING PERFORMANCE

Salient information for the year ended 30 June 2021

	12 months 30 June 2021	16 months 30 June 2020	12 months 28 February 2019	12 months 28 February 2018
Number of shares in issue	48,723,123	48,723,123	28,710,692	10,363,407
Weighted number of shares in issue	48,386,000	35,675,523	22,763,589	6,495,882
Net asset value per share (cents per share)	1,129.77	1,091.64	1,045.27	987.59
Listed market price per share (cents per share)	1,200	1,100	1,100	1,050
Premium to net asset value	6.22%	0.77%	5.2%	6.3%
Capital commitments (including approved but not contracted)	N$318.8 million	N$323 million	Nil	Nil
Capital expenditure (PTNA)	N$178,109,609	N$100,672,994	N$70,145,304	N$63,359,792
Market capitalisation	N$584,677,476	N$535,954,353	N$315,817,612	N$108,815,774
Headline earnings	N$27,996,620	N$24,004,504	N$6,981,792	N$713,972
Basic earnings per share (cents)	59.80	71.27	30.67	10.99
Headline earnings per share (cents)	57.86	67.26	30.67	10.99
Dividends per share (cents)	20.00	10.00	Nil	Nil
Dividends declared	N$9,744,625	N$4,872,312	Nil	Nil
Total return to shareholders	10.91%	0.91%	4.76%	5%
EBITDA	N$94,441,622	N$55,148,094	N$6,981,792	N$713,917
EBITDA per share (cents)	193.83	113.19	24.32	6.89
Net Debt / EBITDA (not more than 3.5 times)	1.87	1.31		
EBITDA interest cover ratio (not less than 2.5 times)	15.32	13.70		
EBITDA (PTNA stand alone)	N$93,119,490	N$101,247,260	N$47,907,316	N$32,360,428
Profit before taxation for the year	N$42,248,236	N$31,167,355	N$6,981,793	N$713,972
Revenue (Consolidated)	N$340,560,820	N$173,390,963	N$4,581,201	N$2,214,978
GP% (PTNA major subsidiary)	52.4%	49.4%	47.5%	43.8%

CORPORATE SOCIAL RESPONSIBILITY & SUSTAINABILITY REPORT

OVERVIEW

The Corporate Social Responsibility "(CSR)" and sustainability activities of PNH showcase our commitment to giving back to our community in the educational and business incubation / innovation spheres. These focus areas reiterate our core brand message which is to "unlimit potential - think big and be unlimited". We continuously review our corporate social priorities in light of global trends and adjust our contributions in line with the needs of our stakeholders to ensure we do our part to make a difference in the lives of Namibians.

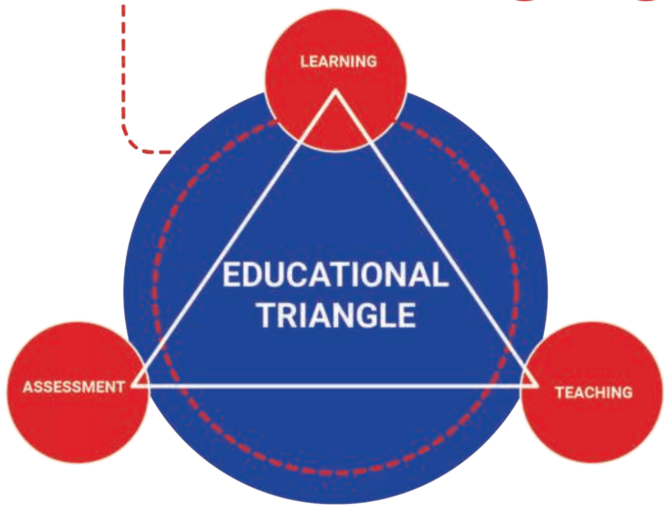
THE FOLLOWING KEY INITIATIVES ARE UNDERWAY:

EDUCATION

WE BELIEVE THE ROAD THAT PARATUS EMBARKED ON IN EDUCATION WILL BRING CHANGE FOR THE BETTER IN THE LIVES OF THOUSANDS OF LEARNERS IN THOSE AREAS ORDINARILY DEPRIVED OF THIS PRIVILEGE.

Paratus prides itself in being an enabler by making access to technology a reality in far-reaching areas of Namibia. Paratus specifically focuses on online education to create and maintain platforms on which future generations can empower themselves.

There are three characteristics that will never change in education. Teaching, Learning and Assessment were and will always be the cornerstones of education. Any new educational development MUST fit into this important educational triangle.



Lockdown has changed the direction of the educational process by making e-learning and blended learning the prominent means of all three educational cornerstones. Without getting technical, e-learning (digital learning, online learning) can be defined as using technology in teaching, learning and assessment platforms through the internet while blended learning is where e-learning and face-to-face teaching meet each other in an educational environment for example, the classroom.

EDUGATE – EDUVISION

EduVision was founded to offer effective, interactive classroom teaching between teachers and learners of the EduGate Academy with their counterparts in rural schools by utilising modern teaching methods and technology to help improve the pass rates for learners in grade 10, 11 and 12.

Paratus has been involved with Eduvision since inception in 2017, through an invaluable sponsorship of reliable internet connectivity through SmartBoard technology and VSAT. Paratus understands the challenges that remote areas face when it comes to physical teaching. The decision to become involved to offer dependable solutions that fit the needs of remote schools is well within our mission of bridging the gap of access to information.

Our established network system and infrastructure provides fast and reliable access to remote areas for their e-learning needs to help overcome the challenges that are associated with physical teaching methods and improve the quality of education offered to rural schools in remote regions in real time. Young people are our future leaders and Paratus aims to aid them with the necessary tools to become truly limitless.

Through the use of SmartBoard technology, teachers in Otjiwarongo are able to teach real-time online classes and direct students to the SmartBoard on both sides of the connectivity i.e. Otjiwarongo and Tsumkwe to interact and solve exercises directly on the SmartBoard. What is written by the teacher in Otjiwarongo, appears on the SmartBoard in Tsumkwe and vice versa when the students in return interact with the teachers in Otjiwarongo.

Paratus have pledged fifty VSAT (satellite) dishes to schools throughout the country. With this donation and installation over the last few months, more than 2 000 learners got access to the internet and blended learning.

The advantages of the involvement of Paratus include:

- removing geographic and budgetary barriers to increase equity by expanding access to the best available resources;
- empowering teachers and learners with the choice to teach and learn in their remote environments;
- allowing learners to learn using the same tools they must master to succeed in today's workforce;
- levelling the playing field so that all learners, regardless of where they live, are able to have access to worldwide information;
- giving more learners access to rigorous college/university preparatory courses;
- enhancing great teaching with continually updated tools and concepts;
- improving the sustainability of remote schools;
- reducing dropout rates;
- reducing facility demands; and
- creating opportunities to reimagine the very nature of teaching and learning to better serve the needs of all learners.

Since the inception of the project, grade 12 rankings of the participating schools have increased tremendously. Tsumkwe Secondary School was the first school connected three years ago. In 2018, this school's grade 12 results ranked 183rd nationally and 11th in the Otjozondjupa region. This ranking has improved in 2020 to 34th Nationally and 5th in the Otjozondjupa region. This remarkable improvement is testament to the enormous success of this project.

"WE ARE PROUD TO BE INVOLVED IN THE FUTURE OF EDUCATION IN NAMIBIA. HERE WE SEE THE RESULTS ON OUR INVESTMENT IN TIME, TECHNOLOGY AND A POSITIVE ATTITUDE. - BARNEY HARMSE (GROUP CEO)"

CORPORATE SOCIAL RESPONSIBILITY & SUSTAINABILITY REPORT (CONTINUED)

EDUCATION (CONTINUED)

KWAKWAS PRIMARY SCHOOL

KWAKWAS PRIMARY SCHOOL

In line with its commitment to empower and unlimit the potential of future generations, Paratus provided the Kwakwas Primary School with internet access through our range of VSAT products. VSAT is a technology that allows remote areas access to connectivity.

Being a rural school situated 27km north-west of Rehoboth, the school is located outside the coverage of terrestrial network towers and therefore Paratus made use of VSAT technology to provide the school with internet access. The school had no internet connectivity prior to Paratus' involvement. The school has only four staff members that teach approximately 70 grade 1 to 7 learners from the San and the surrounding farming community.

DOLOLO – DOBOX NAMIBIA

DOLOLO – DOBOX NAMIBIA

Paratus started as a privately owned, entrepreneurial telecommunications service provider and therefore fully understand the need that entrepreneurs and start-up businesses have, to grow their own businesses as well as the Namibian economy.

Paratus partnered with Dololo and DoBox in 2019 and since then we have been connecting entrepreneurs to the world with an internet connection that is fast, reliable and consistent. Our partnership with Dololo and Dobox is a true reflection of how Paratus empowers future generations by bridging the gap of access to information with the means to access this information.

Dololo is a business incubation hub that exists to develop the entrepreneurship ecosystem in the country. DoBox provides flexible shared office space for entrepreneurs and freelancers, as well as providing services to forward-looking companies and institutions by facilitating Internal Innovation Workshops, events and training. Alongside co-working and business incubation, they host different exciting events and projects such as FemTech, RAW and CodeCave.

Having access to an internet connection that is fast, reliable and consistent is one of the key pillars of success for entrepreneurs. Our services mirror the passion and value of the entrepreneurs that make use of these services.

"With our mission to empower future generations by helping them build successful businesses, Paratus has been an incredible partner and played an important role in the growth of our co-workers and entrepreneurship community. Our high-speed internet connection of 90Mbps has enabled them to work, communicate and collaborate effectively. Thanks, Paratus!"

TESTIMONIAL

"We are so excited to see so many young ICT individuals using the CodeCave location, supported by our fast and reliable internet connection. We are firmly committed to helping our future entrepreneurs push the boundaries."

- A HALL (MD PARATUS)

PARATUS NAMIBIA HOLDINGS LIMITED
INTEGRATED ANNUAL REPORT 2021

CORPORATE SOCIAL RESPONSIBILITY & SUSTAINABILITY REPORT (CONTINUED)

OTHER CSR ACTIVITIES

PARATUS CARES WEEK

PARATUS CARES WEEK IS ALL ABOUT GIVING BACK TO THE COMMUNITY AND SEEING THOSE SMILES MAKES IT ALL THE WORTHWHILE. AFTERALL IT'S MORE FULFILLING TO GIVE THAN TO RECEIVE. - SUNETTE BURDEN (MARKETING MANAGER)

The annual Paratus Cares Week is aimed at improving the socio-economic wellbeing of our community. Paratus believes in making both an immediate and a long-term impact in the Namibian community. While our main focus for CSR remains education and business innovation, we are aware that the ravaging effect of the pandemic has left people emotionally and physically vulnerable. The Paratus team delivered food items, beanies and toys to the children of the following less fortunate communities.

- Side by Side Children's Home
- Lighthouse Ministry Programs
- Huis Maerua Children's Home

HUIS MAERUA CHILDREN'S HOME

SUSTAINABILITY

As a company that operates with a continuous growth mindset, we are cognisant of the effects our business operations have on the environment and the community. Many of the challenges for companies operating in the technological sector is managing the disposal of redundant equipment stemming from the rapid growth and evolution of software and hardware. While there is no regulatory and policy framework in place in Namibia governing the disposal of electronic waste, Paratus has taken the necessary steps to ensure that we operate and handle all redundant equipment which may pose a threat to the environment in a controlled manner. We also understand the importance of utilising our country's natural resources in a sustainable way to conduct business.

PARATUS E-WASTE

Paratus has its own E-waste skip on-premises at its headquarters in Prosperita for electronic equipment. We have an agreement with SKIPGO for the e-waste removal to have all redundant electronic equipment periodically emptied and properly disposed of.

GREEN ENERGY

As a sustainable and responsible company, Paratus has a 194-panel PV (Photo Voltaic) solar installation which generates on-premise capacity using the natural solar resource – the sun. This system equates to a 53,35 Kw photo voltaic 3 phase grid feedback system that covers about 30% of the building's daily power requirements (dependent on the local weather of that day). On average we recover 8.01 megawatt hours (8010 units) every month. This in turn equates to a CO_2 saving of 4.25 tonnes per month.

GOING FORWARD

As a Namibian company, we are committed to bring change to its economy, its people and its environment and to leave a legacy we are proud of.

BOARD OF DIRECTORS AND INDEPENDENT COMMITTEE MEMBER

HANS-BRUNO (HABO) GERDES (69) | Chairperson |Appointed: 8 August 2017
Qualifications: ACIS/ BPROC (UCT)
Nationality: Namibian
Function and Committees: Audit, Risk and Compliance Committee and Remuneration and Nomination Committee

Background: Habo is an Associate of the Institute of Chartered Secretaries and holds a B.Proc degree from the University of Cape Town. He was previously the Managing Partner of Engling, Stritter and Partners and continues to consult on corporate/commercial matters and holds a number of directorships in both listed and unlisted companies including the NSX. He is the Honorary Consul for the Kingdom of Belgium to Namibia, a Commissioner on the Law Reform and Development Commission of Namibia, an Advisory Board member of the Namibia Investment and Development Board and until recently the Chairperson of the Legal Practitioners' Fidelity Fund.

INDEPENDENT NON-EXECUTIVE DIRECTOR

AGE 69 | 8 Augustus 2017 | Namibian

STUART HILTON BIRCH (53) |Appointed: 8 August 2017
Qualifications: B. Comm (Computer Science), MBA
Nationality: South African
Function and Committees: Investment Committee

Background: Stuart has been in the ICT Industry for over 20 years and is currently a co-founder of IRIS Network Systems, a company that focuses on providing telecommunications and Internet Service Provider ("ISP") companies with a comprehensive Network Management Solutions. Stuart is currently the Managing Director of IRIS Network Systems who delivers and manages their software and hardware on 178 servers spread over four continents and in 10 countries. His clients include: - Undersea cable companies - Pan-African ISPs - Regional ISPs - Data and VOIP providers – North American regional Carrier Service Providers. Before IRIS Network Systems, Stuart gained extensive experience in the ICT Industry working at Dimension Data, of which Internet Solutions is a subsidiary, where he served clients in retail, financial services, telecommunications and healthcare. At Dimension Data, Stuart held positions in Account Management and Business Development. He was also the Regional Executive for the Western Cape Region for Internet Solutions where his region was awarded Region of the Year at the Annual Dimension Data Sales Awards in both 2007 and 2008 for the Africa and Middle East region. In 2004 Stuart served on the Dimension Data Western Cape Exco, and on the Internet Solutions Exco between 2006 and 2010.

INDEPENDENT NON-EXECUTIVE DIRECTOR

AGE 53 | 8 Augustus 2017 | South African

MORNÉ ROMÉ MOSTERT (36) |Appointed: 30 June 2017
Qualifications: B Comm, Chartered Financial Analyst Charterholder
Nationality: Namibian
Function and Committees: Investment Committee and Remuneration and Nomination Committee (Chairperson)

Background: Romé is a CFA Charterholder with a BComm degree from the University of Stellenbosch.

Romé is a co-founder and director of Cirrus Capital, a financial services company renowned for its corporate advisory, transaction advisory, capital raising and economic consulting services. Previously, Romé has run the research desk at two of Namibia's larger stockbrokers and was also the Managing Director of IJG Securities. Romé has a passion for financial markets and is extremely well regarded in this space. He developed both of Namibia's official bond and equity indices, to which billions of Namibia Dollars of invested funds are benchmarked by the country and region's asset managers. He has managed assets for various companies and individuals, focusing on customised segregated portfolios for specialised purposes. Romé served as a director of the NSX from July 2015 to April 2018 and has been involved in a number of debt and equity listings. He is a local valuation expert, having valued various companies from start-ups to large mining entities.

INDEPENDENT NON-EXECUTIVE DIRECTOR

AGE 36 | 30 June 2017 | Namibian

JOSEPHINE NAANGO NDAKULILWA SHIKONGO (38) |Appointed: 8 August 2017
Qualifications: Associate Chartered Management Accountant (ACMA), Chartered Global Management Accountant (CGMA), MPA: Strategic Public Management & Leadership, CIMA Advanced Diploma in Management Accounting, CIMA Diploma in Management Accounting, CIMA Certificate in Business Accounting, National Diploma: Accounting & Finance
Nationality: Namibian
Function and Committees: Audit, Risk and Compliance Committee and Remuneration and Nomination Committee

Background: Josephine has over 15 years' experience in the accounting and finance field. She has worked in various sectors, including media, telecommunications and mainly the financial sector. She has served in a managerial capacity at the Motor Vehicle Accident Fund of Namibia, Agricultural Bank of Namibia and recently served as the Head of Finance and Administration for BFS Fund Manager. Currently, Josephine works as a researcher, focusing on academic capitalism, endowment funds, behavioural finance and entrepreneurial economics. Her experience includes overseeing the financial and management accounting functions, procurement and property management, as well as IT and HR functions. While studying in the US as a Fulbright Scholar, Josephine worked for the Strategic Initiatives department at World Business Chicago, an economic development public private partnership that drives the City of Chicago's economic growth.

INDEPENDENT NON-EXECUTIVE DIRECTOR

AGE 38 | 8 Augustus 2017 | Namibian

JOHANNES JACOBUS (JACO) ESTERHUYSE (43) | Appointed: 26 May 2018
Qualifications: CA (SA)
Nationality: South African
Function and Committees: Audit, Risk and Compliance Committee and Investment Committee (Chairperson)

Background: Jaco currently holds the position of Financial Director of Capricorn Group Limited. He has extensive experience in the financial and investment industry. His career in the financial and investment industry commenced in 2005 in the United Kingdom where he was based until November 2011. During this time he worked for Mitsui Sumitomo Insurance Company Ltd, Oakwood Global Finance and Barclays PLC amongst others. He returned to Namibia in December 2011 and joined the Capricorn Group in January 2012.

NON-EXECUTIVE DIRECTOR

AGE 43 | 26 May 2018 | South African

STEFANUS ISAIAS (STEFAN) DE BRUIN (48) |Appointed: 8 August 2017
Qualifications: B Com (Hons), CA (Nam), H Dip (Tax)
Nationality: Namibian
Function and Committees: Group Chief Financial Officer - Paratus

Background: Stefan has more than 20 years of experience in operations and finance of which the last ten years were spent as an executive director of Namibian listed entities. Stefan is currently the Chief Financial Officer of the Paratus Group. Stefan joined Old Mutual Investment Group Property Investments (Proprietary) Limited (OMIGPI) in August 2008 and served as a representative director of Oryx Properties Limited (NSX listed company) as well as Oryx Management Services (Proprietary) Limited, a subsidiary of OMIGPI until November 2010. Stefan resigned from OMIGPI with the internalisation of the asset and finance management functions of Oryx Properties Limited and was appointed by Oryx Properties Limited as Chief Executive Officer.

He served as a non-executive director of the NSX from 2013 to 2016. During this period he served as Chairman of the Audit and Risk Committee. Stefan also served as a non-executive director of the Old Mutual Orion Namibia Pension and Provident Funds from 2016 to 2019. During this period he also served as Chairman of the Audit and Risk Committee. He is currently the Chairman of the Professional Provident Society Insurance Company (Namibia) Limited (PPS) board. He was previously a senior manager for Tax and Legal Services at PricewaterhouseCoopers from 2002 to 2003, Financial Manager at Siemens Namibia (Proprietary) Limited from 2003 to 2005 and Financial Director at Siemens Namibia (Proprietary) Limited from 2005 to 2008.

EXECUTIVE DIRECTOR

AGE 48 | 8 Augustus 2017 | Namibian

BOARD OF DIRECTORS AND INDEPENDENT COMMITTEE MEMBER (CONTINUED)

SCHALK LEIPOLDT VAN ZYL ERASMUS (45) |Appointed: 8 August 2017
Qualifications: Various Diplomas (Bookkeeping, Accounting, Project Management etc), Microsoft Certified Systems Engineer (MCSE) and Cisco Certified Network Associate (CCNA)
Nationality: Namibian
Function and Committees: Group Chief Operations Officer - Paratus
Background: Schalk has been in the Service Provider and telecommunications Industry for almost twenty years and has co-founded various operating companies in Africa. Schalk is currently the Chief Operating Officer of the Paratus Group, operating in over twenty-five African countries with physical presence in six African Countries which include: Angola, Botswana, Mozambique, Namibia, South Africa and Zambia. The Africa success story is a testament to his technical capabilities and leadership skills. Formerly, Schalk was a cofounder, shareholder, and Technical Director of Internet Technologies Namibia (Proprietary) Limited from inception in 2004 till 2014 when the Company was incorporated into Paratus Telecommunications (Proprietary) Limited. Prior to this Schalk managed his own business ventures from 2000 till 2004, offering technical support to the Corporate Companies and various NGO's including United States Agency for International Development (USAID), Family Health International (FHI) and the United Nations (UN). Prior to 2000, Schalk obtained various Diplomas in Software Support, Bookkeeping and Accounting. Schalk also obtained his MCSE (Microsoft Certified System Engineer) and later his Cisco Certification. Schalk was also a Microsoft Certified Trainer (MCT) where he conducted training on almost all Microsoft Products in Namibia and South Africa. During the late 90's Schalk became the Branch Manager of ISU Campus (Windhoek), an authorised Training and Certification Centre in SADC. Schalk was also the Project Lead in the Gauteng province with the Lotus Notes integration to all Brokers during the reinvention of the ABSA brand in South Africa, with the consolidation of Volkskas, United Bank, Trust Bank and Allied.

EXECUTIVE DIRECTOR | AGE 45 | 8 Augustus 2017 | Namibian

Andrew Hall (39) |Appointed: 25 September 2019
Qualifications: B. Com with specialization in Entrepreneurship - Cum Laude (Unisa), Project Management (PMBOK) SBL Unisa
Nationality: Namibian
Function and Committees: Managing Director - Namibia
Background: Andrew has been in the telecommunications industry for 20 years. He is passionate about customer service and a firm believer in the under-promise but over-deliver philosophy. Andrew is very service delivery orientated and is a very good communicator; having numerous teams reporting to him.
Andrew started out in the telecommunications industry as a technical apprentice in 2001. He progressed rapidly due to his passion for the industry and the commitment to ensure projects are completed, implemented and planned meticulously. He progressed to become the Managing Director of Vox Telecom.
He is now the Managing Director of Paratus and is responsible for all operations across the entire product spectrum and a specific focus on sales as both enterprise and consumer sales teams report to him. Due to his technical background, he understands technology and has the ability to design, plan and implement projects across divers deployments at all levels.

EXECUTIVE DIRECTOR | AGE 39 | 25 September 2019 | Namibian

BARTHOLOMEUS ROELOF JACOBUS (BARNEY) HARMSE (51) |Appointed: 25 September 2019
Nationality: Namibian
Function: Board member
Background: Barney Harmse is a Namibian who matriculated from Academia High School in Windhoek in 1988.
Directly after high-school Barney took up employment in the Government as a computer programmer at the old Personnel Institution, which forms part of the Office of the Prime Minister today.
After Government he joined BCS Computers in 1991 as a Programmer, that provided Insurance Systems to the Insurance industry for Brokers and Insurance companies on a Bureau basis. It is during this time at BCS Computers that Barney fell in love with his new passion, WAN Networking.
Barney has an impressive 30-year career in the networking and telecommunications service industry in Africa and has reached multiple milestones during this period. Barney was instrumental in establishing commercial Internet in Namibia.
He co-founded the original UUNET Internet Africa in Namibia which is MTN today. Since 1996, he was the MD of UUNET Namibia for 7 years until 2002. After UUNET, during the last 18 years, he has co-founded various companies in Angola, Namibia, Zambia, Botswana, Mozambique as well as South Africa.
Today these companies all form part of the Paratus Group, and deliver product and service to more than 24 African countries. The Paratus Group has 526 dedicated employees and 250 sub-contractors in Namibia. These employees represent more than 5000 family members, to whom Paratus provides for daily.

EXECUTIVE DIRECTOR | AGE 51 | 25 September 2019 | Namibian

ROLF PETER KONRAD MENDELSOHN (39) |Appointed 25 September 2019
Nationality: Namibian
Function: Board member, alternate director to Mr Harmse, Group Chief Technology Officer – Paratus
Background: Rolf matriculated from Pretoria Boys High School and is committed to driving innovation across the African continent. He registered and started his first business, at the age of 16. Doing network installations and PC Maintenance.
He co-founded various companies across Africa which, today, form part of the Paratus Group.
After a civil war of 27 years that ended in 2002, Angola had fallen behind in its development. The conflict destroyed much of the infrastructure and had a negative impact on business and the economy. On 23 February 2003, Rolf arrived in war-torn Angola to start an Internet Service Provider ("ISP") business called Internet Technologies Angola (ITA).
More than 17 years later, Angola is still known for not being the easiest place to do business. Nevertheless, Mendelsohn and his partners have proven that it is possible to run a successful company in Angola.
Rolf, Miles October and Barney Harmse worked together at UUNET, until they started ITA - Internet Technologies Angola and at the time ITN - Internet Technologies Namibia. In February 2003, Rolf and Miles October started out with the bare minimum with a company called Tesmi Angola, which was a Namibian-Angolan company. The following year Barney Harmse came up to join them in Luanda. Rolf has recently returned to Namibia on 23 August 2020, joining the team at the Paratus Group Head office.

EXECUTIVE DIRECTOR | AGE 39 | 25 September 2019 | Namibian

HEINRICH JANSEN VAN VUUREN (34)
Qualifications: BAcc LLB (Stell), BCompt Hons (UNISA), PG Dip (Tax) (UNISA), CA(Nam), CA(SA)
Nationality: South African
Function and Committees: Independent member of the Audit, Risk and Compliance Committee (Chairperson) and Investment Committee
Background: Heinrich is both a Namibian Attorney and a Chartered Accountant. He is a member of the Institute for Chartered Accountants ("ICAN") and holds a BAcc LLB degree from the University of Stellenbosch, a BCompt Hons as well as a Postgraduate Diploma in Taxation from UNISA.
He comes from a commercial background, having completed his training contract with Grant Thornton Neuhaus before being admitted as a Chartered Accountant in Namibia and thereafter in South Africa. He has gained experience in the corporate business environment during his employment as a financial manager in the short-term insurance industry.
In 2017 he was admitted as a legal practitioner in the High Court of Namibia and he currently practices law at Cronjé & Co., with a focus on commercial law, transactions and advisory.
He has since furthered his exposure, serving as a director on a number of boards. He also serves as a Councillor and member of the audit- and risk committee of the Law Society of Namibia.

INDEPENDENT COMMITTEE MEMBER | AGE 34 | 19 November 2019 | South African

CHAIRMAN'S REPORT

FOR THE YEAR ENDED 30 JUNE 2021

It gives me pleasure to present the Chairman's Report on the Group's activities for the year ended 30 June 2021.

One cannot comment on the past year's performance without reflecting on the Covid 19 pandemic. We want to express our condolences to those who lost loved ones or are still experiencing the aftereffects of the pandemic.

The Group stayed true to their motto "always prepared", has taken measures to take care of its personnel and their families during these trying times. You are welcome to read more about it in the Managing director's report, the corporate responsibility and remuneration report.

FINANCIAL RESULTS

This financial year ended 30 June 2021 was a year marked by a number of events.

The investment in capital infrastructure the previous years came to stand the Group in good stead during the pandemic when the need for data by individuals and business alike increased significantly.

Paratus continued to deliver on its infrastructure expansion strategy and continued with its fiber deployment during the year and commenced the building of the Equiano Cable Landing Station and the construction of the Tier 3 equivalent data center.

You can read more about the investment strategy in the Managing director's report.

Projects thus far have mainly been funded by shareholder capital but during the year Paratus Namibia Holdings Limited successfully established a N$1 billion Domestic Medium Term Note Programme on the NSX. This was well received by the market and the first tranche of N$200 million was oversubscribed. The proceeds were utilised to settle the Development Bank of Namibia loan and the remainder will be directed to the above-mentioned projects and future infrastructure roll outs.

The Group's revenue increased from N$173.4 million for the prior 16 months to N$340.6 million (12 months). The recurring revenue of the group makes up 89.6% of total revenue (2020: 83.9%). The Group's EBITDA amounts to N$94.4 million for the year compared to N$55.1 million in 2020. Refer the Chief Financial Officer's report for a 12 month like-for-like representation of the figures of the main subsidiary, Paratus.

For the year ended 30 June 2021, the net profit before taxation amounts to N$42.2 million (2020: N$31.2 million, 16 months). This represents a growth of 35.6%. The main contributor to the growth is the change in the financial year as well as improvement in the GP % and the containment of operating expenditure. Again, we refer you to the Chief Financial Officer's report for a 12 month like-for-like representation of the figures of the main subsidiary, Paratus.

The growth in the gross profit margin ("GP%") of Paratus, on a 12 month like-for-like basis, from 49.4% (2020) to 52.3% (2021) stems from the increased utilisation of Paratus-owned infrastructure replacing third-party infrastructure as well as the continued increase of customers on the existing infrastructure. The GP% is also influenced by the extend of non-recurring revenue. For the financial year ending 30 June 2021, Paratus realised recurring revenue of N$305 million (2020: N$283 million) which represents a growth of 7.8% on a 12 months like-for-like basis.

On the back of the good performance of the Group, the Group declared dividends of 20 cents per ordinary share during the year, providing investors with a total return of 10.91% for the year and bring the total return to investors since inception to 22%.

GOVERNANCE AND RISK MANAGEMENT

During the year under review, the Board and its sub-committees continued to function well. The Board, the Audit, Risk and Compliance, Remuneration and Nomination Committees as well as the Investment Committee executed their functions in terms of their mandates, the NamCode and the Companies Act of Namibia.

ECONOMIC OVERVIEW

Namibia's economic recovery is expected to be slow. The country reported a record 8.5% contraction for 2020, creating a low base for growth going forward. Despite this, growth projections for 2021 have been revised downwards by various institutions, ranging between 1.4% to 2.1%. This low growth is attributable to a slow recovery in mining output, as Namibia's mineral exposure has not been as favourable as those of other nations. Additionally, the lockdown restrictions in response to rising cases in the third wave – the worst Namibia has yet faced – will have further subdued economic activity this year. The recovery for tourism is also likely to take materially longer than many had hoped for, which may lead to consolidation within the sector.

After the collapse in household incomes last year, recovery will be slow in the relatively weak growth environment. The dangers lie particularly around the latent internal demand shock, as reduced consumption in the economy and consolidation in sectors such as tourism may further reduce household incomes. At the same time, Namibia has not seen the necessary reforms to improve her business climate and investment environment. Without the substantial and urgent reforms, growth over the medium term will remain low – driven largely by improved mineral output off the back of diamond mining.

The consensus is that Namibia's growth will hover around the 3.0% level over the medium term. Even with this growth, the 10.2% deterioration in real GDP per capita in 2020 (after several years of decline) will take over a decade to return to the 2015 peak. With such a slow growth recovery, and much of the recovery being driven by the base effect and mining output, the risk is that the average Namibian may well feel left behind.

OUTLOOK AND PROSPECTS

Despite the severity of current circumstances, there are glimmers of opportunity. The impetus behind remote working and digitalisation are a boon for the ICT space, not just in the developed economies but across Africa as well. Individuals increasingly demand more and faster data connectivity, while many businesses need to provide for secure remote access and improved systems to facilitate the growth in 'work-from-home' policies.

Growth in the ICT sector is expected to remain relatively high, although this rate of growth is anticipated to slow given the large base from 2020 and 2021. Nonetheless, it is expected to remain one of the fastest-growing sectors in the Namibian economy over the medium term.

The drive towards digitalization and online services will see the ICT sector as a keystone for growth across much of the Namibian economy, helping unlock much of its potential. With that, it brings not only opportunity the sector to continue growing, but for the sector to play a key role in the country's economic recovery.

We look forward to the Equiano cable being landed during April/ May 2022 and connected during the third quarter 2022 whilst the Tier 3 equivalent data center is expected to be operational by August 2022.

APPRECIATION

I would like to extend my sincere appreciation and gratitude to my fellow Board members and our highly committed executive team, managers and employees, as well as to our customers and service providers, for their co-operation, dedication, valued efforts and participation during the year.

Hans Bruno Gerdes
Chairperson
06 December 2021

MANAGING DIRECTOR'S REPORT

OVERVIEW

Although we did not see the end of the COVID-19 pandemic in 2021, the impact of the pandemic and the new norms that have come along with it, had a positive impact on our consumer business.

We implemented various measures to mitigate the impact of COVID-19 on our most precious resources, our staff. Apart from the rotational schedules implemented allowing staff to work from home, all elderly staff and those with comorbidities were sent to work from home. We also subsidised immune boosters for all out staff and purchased Oxygenators for those staff members or their family that contracted COVID-19 and needed supplementary oxygen.

Although the impact of the pandemic was severe on an already struggling Namibian economy, Paratus, the main subsidiary in the Group, achieved 95% of its set annual revenue target, amounting to N$336 million.

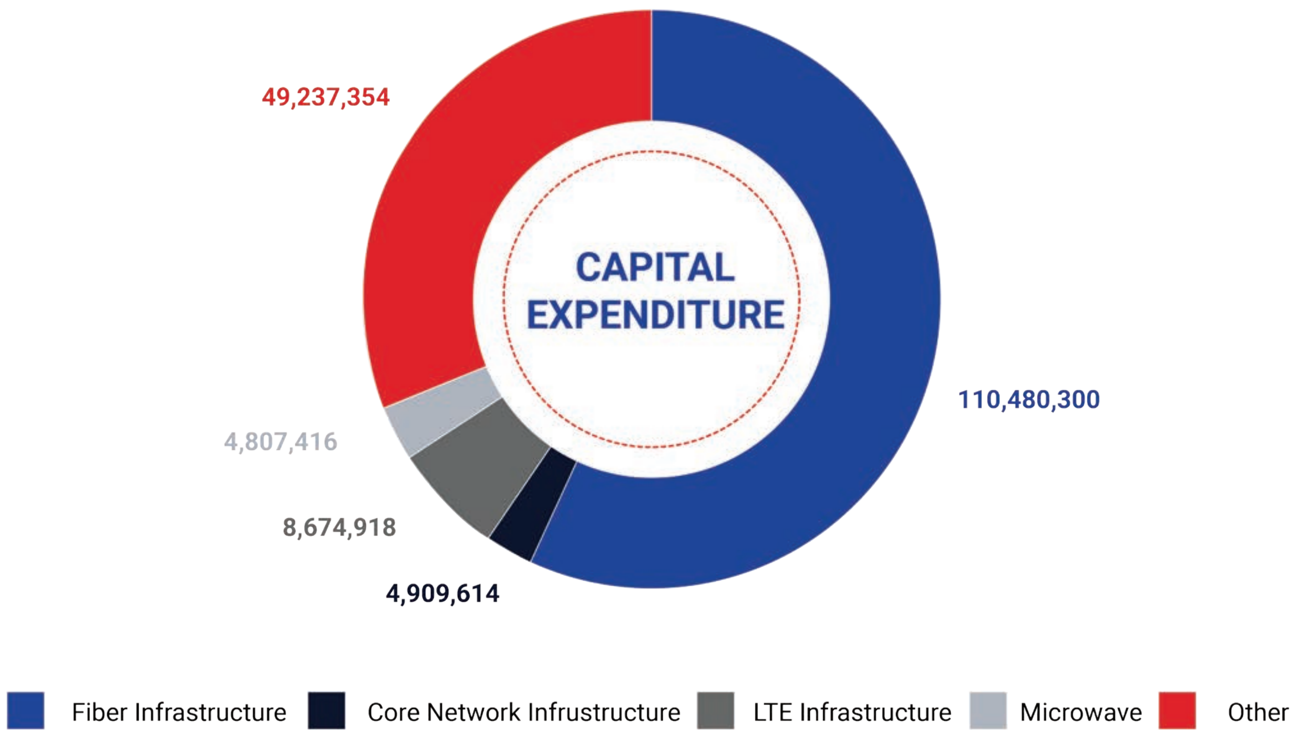
The rapid expansion of our fiber and radio networks throughout the country have put us in the ideal position to accommodate the need of quality and stable connections.

During May 2021 Paratus established a N$1 billion Domestic Medium Term Note Programme, approved by the Namibian Stock Exchange, pursuant to a Programme Memorandum. The programme was well received by the market with an oversubscription on the first tranche. A first tranche of N$200 million was raised through this programme. The funds have been applied to settle the Development Bank of Namibia debt and the remainder of the funds is to be utilised to fund the Equiano submarine Cable Landing Station in Swakopmund, the Data Center in Windhoek and other infrastructure roll out for the 2022 financial year.

In an effort to promote economic growth and support infrastructure sharing in Namibia, Paratus successfully signed the first Open Access agreements with multiple smaller service providers in Namibia enabling them to deliver services to their customers utilising the Paratus fiber network. We have also made history by signing the very first National Roaming agreement with MTN Namibia on Mobile LTE.

ASSETS/INVESTMENTS

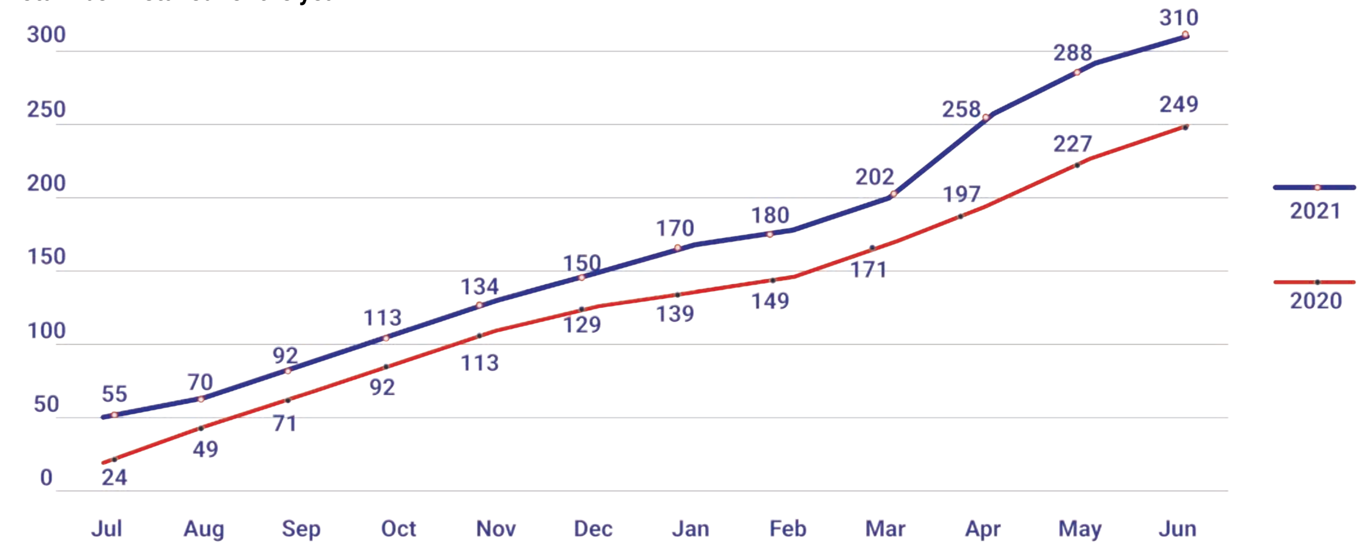
The capital expenditure ("Capex") for the period 1 July 2020 to 30 June 2021 was N$178 million. The bulk of this was on fiber deployments to the value of N$110 million.



Graph: Capex for the financial year 1 July 2020 to 30 June 2021 (Figures in N$)

A large portion of the N$49 million capex shown as "Other" on the above graph pertains to the building of the Equiano Cable Landing Station in Swakopmund and the Data Center currently under construction in Windhoek. These two projects contribute N$19.9 million and N$18 million, respectively, towards capital expenditure during the current year.

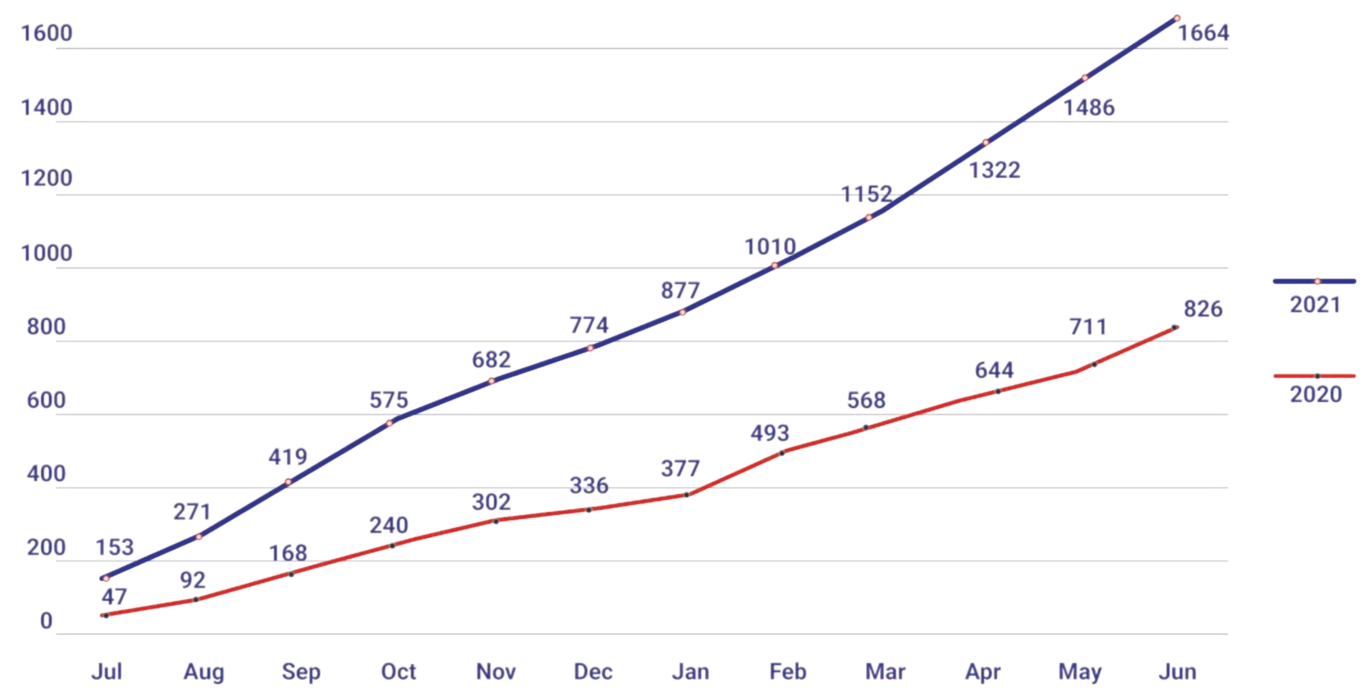
Total fiber installed for the year in km



Graph: Total fiber installed

We installed a total of 310 km of fiber during this financial year compared to the previous year's 249 km.

Total fiber subscriptions



Graph: Fiber subscription growth

We more than doubled the total amount of new fiber subscriptions signed up during the year compared to last year's subscription growth

PARATUS NAMIBIA HOLDINGS LIMITED
INTEGRATED ANNUAL REPORT 2021

MANAGING DIRECTOR'S REPORT (CONTINUED)

INVESTMENT STRATEGY

We have ramped up our infrastructure expansion budget for the next financial year to N$291 million. This is more than a 65% increase compared to the prior year's Capex budget.

A large portion of this budget is allocated towards the Data Center which is currently under construction in Windhoek. The project is expected to be completed at a total estimated cost of N$123 million and will be 1,300 square meters in size and will host a total of 150 cabinets. The facilities are based on Tier 3 equivalent design and we already have a 40% uptake by a well-known international company. We plan to open the facilities in August 2022.

Construction of the Equiano Cable Landing facility has been completed with the internal fitout currently underway. We expect the submarine cable to land on Namibian shores in the 2nd quarter of 2022 and to go live in the 4th quarter of 2022 after its completion, testing and commissioning has been done.

Our primary focus in terms of last mile technology deployment will remain on fiber with our coverage that has expanded from Windhoek, Swakopmund, Walvis Bay to now include Otjiwarongo, Gobabis, Katima and Grootfontein. We plan to not only expand our footprint within the above-mentioned towns, but also expand to other towns in the North of Namibia, such as Oshakati, Ondangwa and Ongwediva.

The secondary focus will be on Mobile LTE as well as our Sky-Fi solution. With the conclusion of the National Roaming agreement signed with MTN, we plan a much more aggressive National Mobile LTE roll out over the next 18 months.

We are continually focusing on our current product offerings to our customers to ensure that their demands and needs are met. We have introduced some very successful product solutions during the past financial year and will continue to do so.

Process automation, digitalization and simplification of the customer sign up journey are still our key focus areas, and we will continue to invest and develop solutions to improve our customers experience while adding value to our product offerings.

ACKNOWLEDGEMENTS

These past 12 months have been quite a journey and I could not be prouder to have been part of such an exceptional team. I would like to thank our board, executive team, management and all Paratus staff, your commendable contribution and positive outlook has been inspiring.

Lastly and most importantly, a big thank you to all our loyal customers for your ongoing support and believing in this team.

Andrew Hall
Managing Director
06 December 2021

CHIEF FINANCIAL OFFICER'S REPORT

INTRODUCTION

This financial review offers a condensed view of the financial results of Paratus Namibia Holdings Limited ("PNH") for the year ended 30 June 2021. These are presented in a simplified form for ease of reference and understanding and are reflective of how the information is analysed by management. The financial review should therefore be read in conjunction with the full financial statements.

The financial year of 12 months came to an end on 30 June 2021. The prior year numbers reflect a period of 16 months because of the year-end change from end of February to end of June. The report reflects on the outcomes of the operations, objectives and initiatives implemented, and consider the challenges encountered. We are satisfied with the performance of the Group, particularly given the tough economic climate and challenging trading conditions experienced.

The PNH listing offers a strong diversification opportunity for the funds of institutions and individuals alike, allowing diversified sector returns in a local environment where the financial sector dominates the Namibian Stock Exchange.

CORPORATE ACTIVITY DURING THE COMPARATIVE PERIOD (2020 FINANCIAL YEAR)

On 3 July 2019 Paratus concluded a rights issue. In terms of the rights issue, the aggregate amount raised by Paratus amounted to N$50 million, which was contributed as share capital in Paratus, by PNH and Paratus Group Holdings Limited pro-rata to their respective shareholdings in Paratus on this date. The subscription price was N$1 053, consisting of a par value of N$5 and a premium of N$1 048.03 per ordinary share. PNH subscribed for 24 398 ordinary shares in Paratus, for a consideration of N$25.7 million, which resulted in no change in the effective percentage interest in the company. The capital raised in Paratus was utilised towards the capital expenditure of N$100 million for the 2020 financial year.

On 25 September 2019, the shareholders approved the implementation of the proposed share swap transaction, as a category 1 transaction together with an issue of new shares as consideration, in terms of the NSX listing requirements. Effective 1 January 2020, in terms of the swap, PNH acquired 46 168 ordinary shares in Paratus, resulting in an increased effective shareholding of PNH from 51.38% to 100% of the total issued ordinary shares in Paratus. From 1 January 2020, the financial results of Paratus are therefore consolidated into the PNH financial results.

CORPORATE ACTIVITY DURING THE YEAR UNDER REVIEW

During May 2021 PNH established an NSX approved N$1 billion Domestic Medium-Term Note Programme pursuant to a Programme Memorandum. During June 2021 a first tranche of N$200 million was raised through the Domestic Medium-Term Note Programme. The first tranche of this Programme was well received by the Asset Management community and resulted in an over subscription of the Senior Unsecured Floating Rate Notes. The three-year and five-year notes were issued at a weighted average interest rate of 303 basis points above the 3 Month ZAR JIBAR rate. The PNH balance sheet required additional gearing to bring down the weighted average cost of capital. During the last two financial years, Paratus relied mostly on equity capital to fund infrastructure projects. The low after-tax cost of debt funding brings down the weighted average cost of capital, which will ultimately result in improved investor returns.

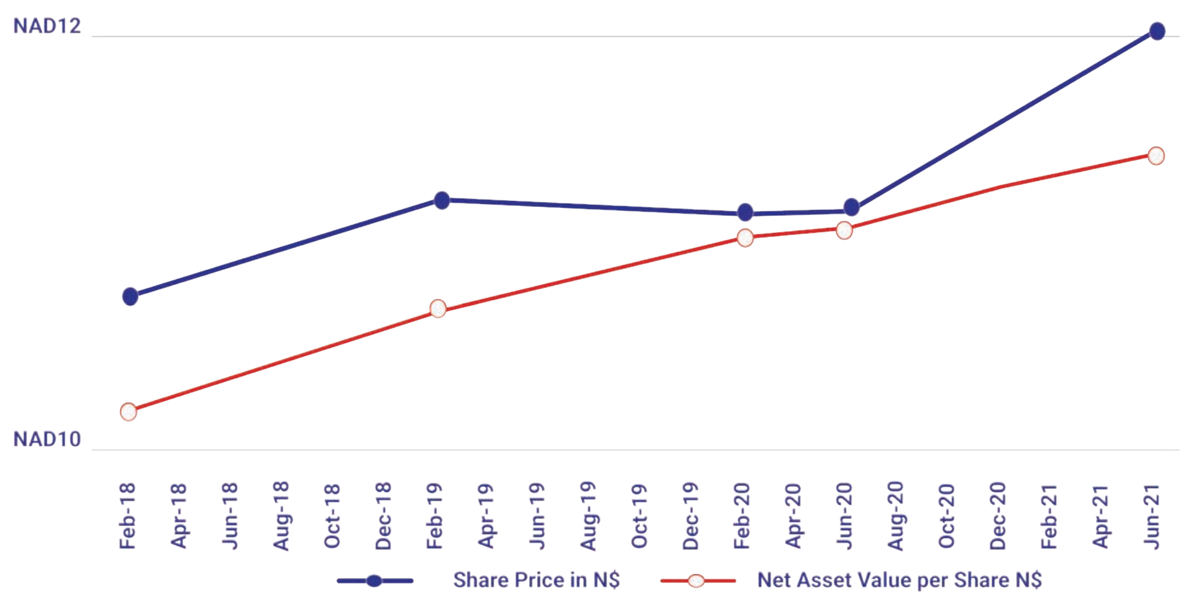
PERFORMANCE OF PARATUS SHARES FOR THE YEAR UNDER REVIEW

A total of 11 702 277 (2020: 322 421) share trades were recorded during the financial year. The share swap transaction and the rights issue concluded during the 2019 and 2020 financial year increased the number of shares in circulation and consequently contributed towards the liquidity of the shares. The total value of shares traded amounts to N$131.6 million (2020: N$3.33 million). The share price was 1 100 cents on 1 July 2020 and closed at 1 200 cents on 30 June 2021. Total dividends paid during the year amounts 20 cents per ordinary share (2020: 10c per ordinary share), which translates to a total return of 10.9% (2020: 1%) for the year ended 30 June 2021.

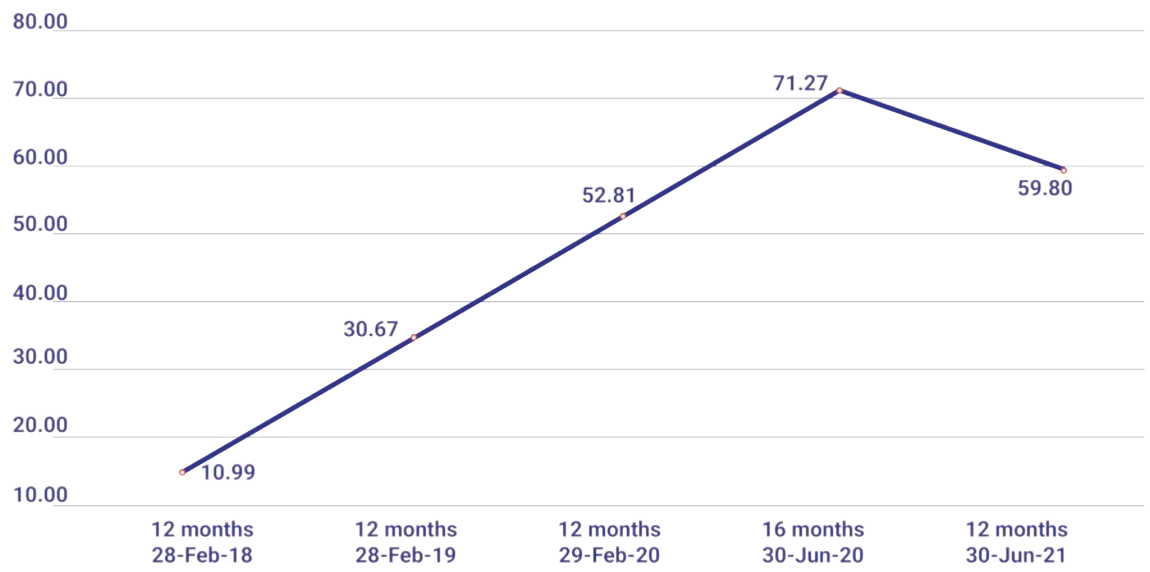
As at 30 June 2021 the share was trading at a premium of 6.2% (2020: 0.8%) to the net asset value per share. The increase from the prior year is mainly due to the 9% rise in the share price.

The graph below displays the share price movement compared to the net asset value per share since listing on 06 October 2017

Share Price vs Net Asset Value per share.



Basic earnings per share (in cents)

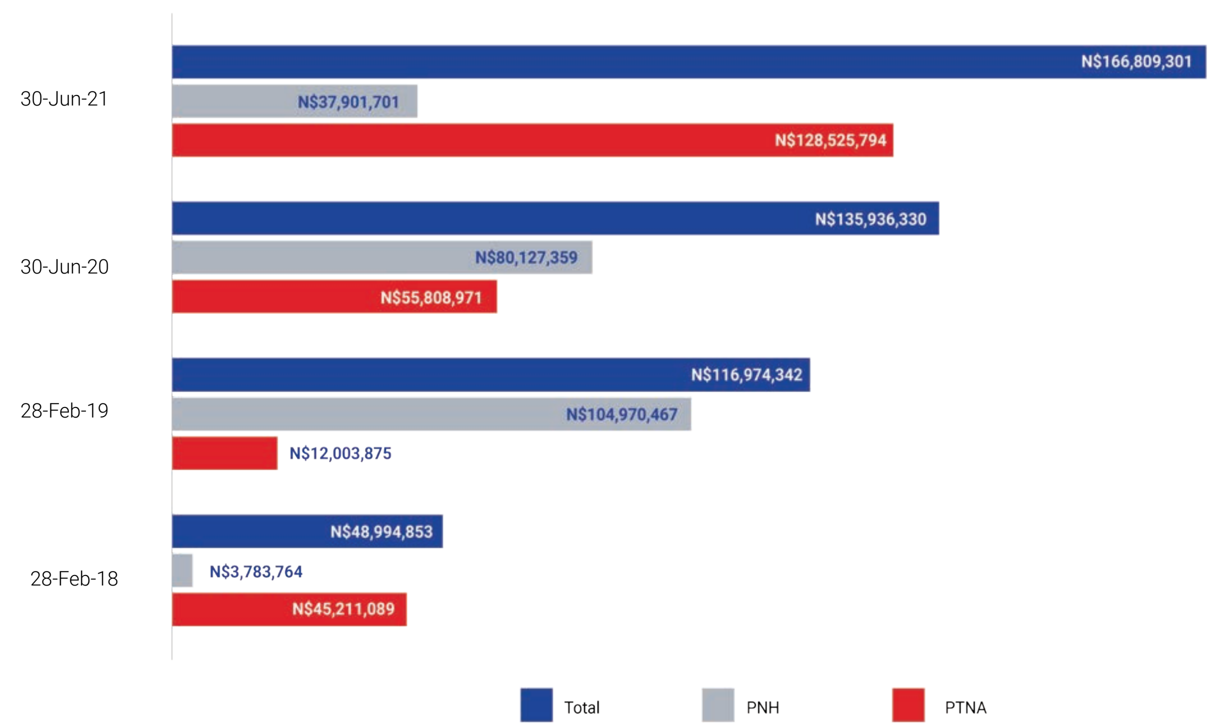


The reduction in the Basic Earnings Per Share is due to the following:

- The comparative period financial results were for a period of sixteen months, whilst the current reporting period spans over twelve months. This is due to the change of the Group's year-end from February to June.
- The weighted number of shares in issue as at 30 June 2020 was 35 675 523 whilst the weighted number of shares in issue at 30 June 2021 is 48 386 000. This is mainly due to the share swap transaction concluded in January 2020, which resulted in the issuance of 20 012 431 ordinary shares.

For the period from February 2018 year end to 30 June 2021 year end the compounded annual growth rate of the Basic Earnings Per Share is 52.7%. The growth in Basic Earnings Per Share ("BEPS") mirrors Paratus's earnings growth coupled with the corporate activity, which have seen the shareholding in Paratus increasing from 26.5% to 100% from January 2018 to January 2020. The earnings growth was mainly driven by revenue growth and improved operating margins stemming from the infrastructure roll-out strategy as well as cost management.

Cash and Cash equivalents



The graph above depicts the improvement of the cash position, which is attributable to the corporate activity during the 2018, 2019, 2020 and 2021 financial years.

CHIEF FINANCIAL OFFICER'S REPORT(CONTINUED)

With the listing on 6 October 2017, PNH raised N$102.8 million. In the same year, PNH expended N$95 million cash to acquire the 26.5% holding in Paratus, hence the low cash balance in PNH at the end of the 2018 financial year. In the same year, Paratus received a cash injection of N$75 million due to the shares issued to PNH. This capital injection marked the beginning of Paratus's extensive infrastructure roll-out strategy.

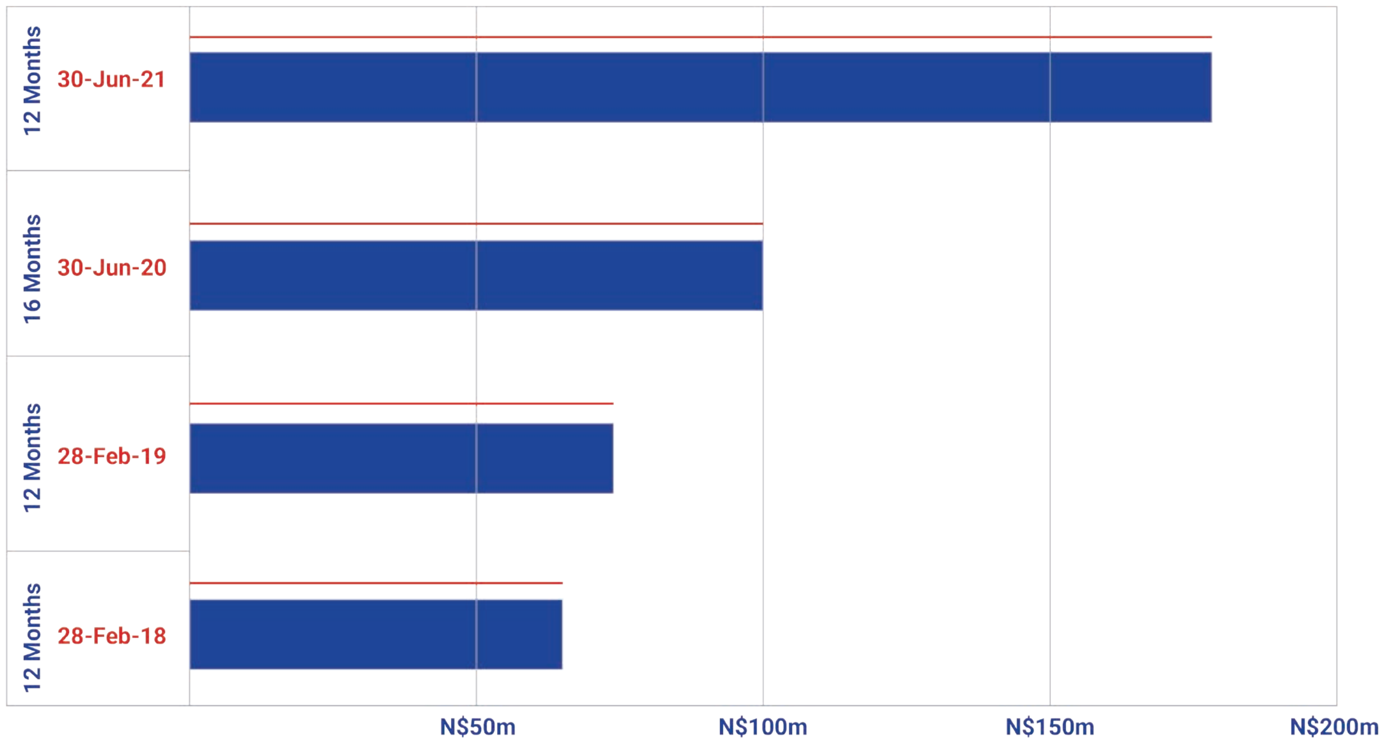
On 20 July 2018 PNH completed a rights issue, which raised N$103 million capital, hence the increase in the cash position at the end of the 2019 financial year.

On 3 July 2019 Paratus concluded a rights issue and raised N$50 million, which improved the cash position in Paratus. PNH contributed N$25.7 million towards the rights issue, hence the decrease in PNH's cash position at the end of the 2020 financial year.

During May 2021 PNH established an NSX approved N$1 billion Domestic Medium-Term Note Programme pursuant to a Programme Memorandum. During June 2021 a first tranche of N$200 million was raised through the Domestic Medium-Term Note Programme. The Note Programme proceeds were advanced to Paratus via an inter -company loan. The inter-company loan terms are back-to-back with the PNH Note Programme terms.
N$66 million of the proceeds were utilised to settle the Development Bank of Namibia loan and the remainder of the loan capital was invested by Paratus to fund the construction of the Data Center and other infrastructure projects.

The Group is in a robust financial position with good liquidity and resilient free cash flow generation. PNH has a modest gearing ratio of 22% as at 30 June 2021 (including the impact of IFRS 16: Leases). Subsequent to the N$200 million loan capital raised through the note programme the net debt (total debt less cash)/ EBITDA multiple is 1.9 (not to exceed 3.5) and the EBITDA interest cover multiple is 15.3 (not to be less than 2.5). Our capital allocation priority is to support investment in critical network infrastructure. The Cash and Cash equivalents indicated in the graph above includes the investment in money market funds, which are disclosed as "investments at fair value" in the financial statements.

CAPITAL EXPENDITURE - PARATUS



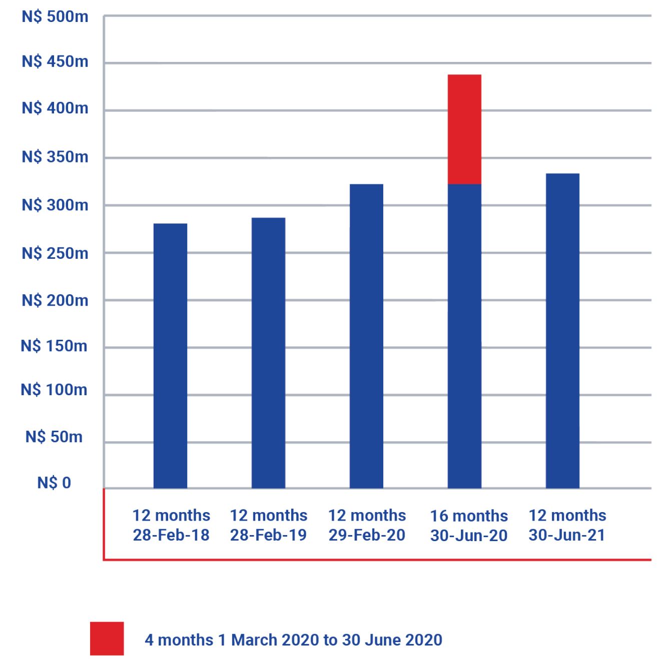
Paratus continued its aggressive infrastructure rollout as evidenced by the CAPEX graph above. During the financial year ending 30 June 2021, Paratus incurred capital expenditure amounting to N$178 million (2020: N$101 million).

The highlights for the year include the acquisition of the erf to construct the Tier 3 equivalent data center. The total cost of the erf amounts to N$9.3 million. Construction has commenced and the project is expected to be completed during the third quarter of 2022 at a total cost of N$123 million. Total capital expenditure towards this project at year-end amounts to N$18 million.

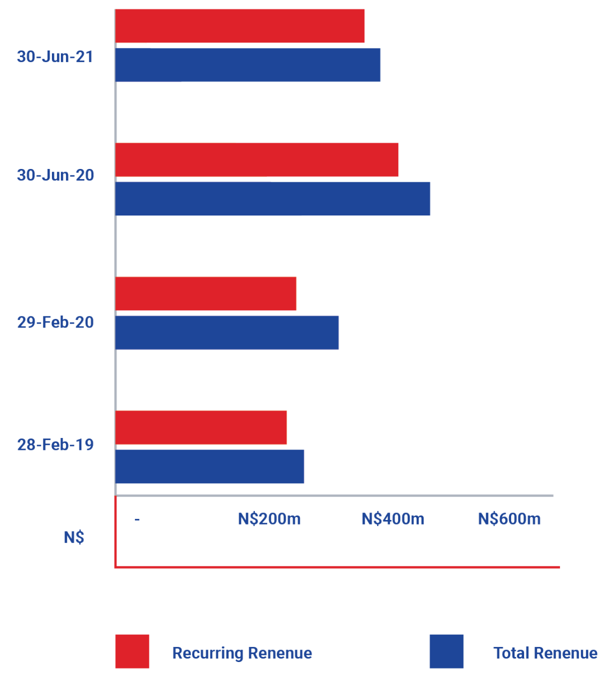
The construction of the shell of the Equiano Cable Landing Station was completed and major systems were installed. Fronthaul trenching to the beach has commenced. The project is expected to be completed during the first quarter of the 2022 financial year at a total cost of N$38 million. The Equiano under-sea cable is expected to land on the Namibian shores during April 2022 with the expected Ready-For-Service ("RFS") date to be during the third quarter of 2022.

Good progress was also made with the mass fiber rollout project and the rollout of LTE and Sky-Fi in the major towns of Namibia.

TOTAL REVENUE- PARATUS



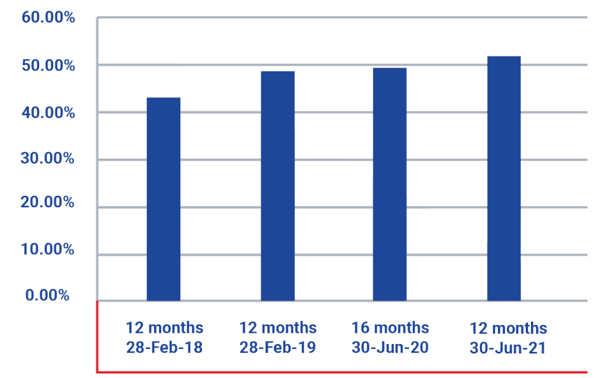
RECURRING REVENUE VS TOTAL REVENUE



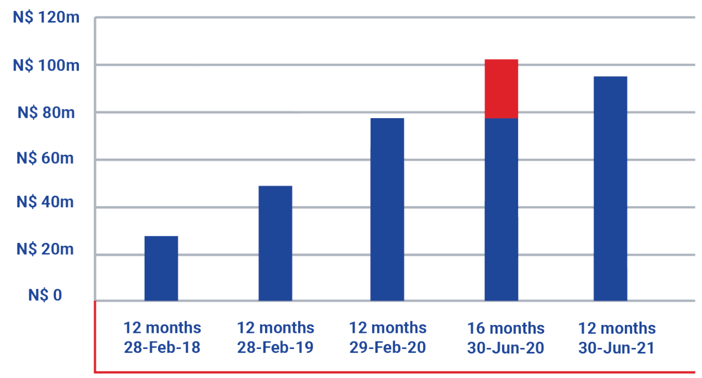
The compounded annual growth rate in revenue over the last five years is 12.2%. Recurring revenue makes up 91% of total revenue (2020: 85%). For the financial year ending 30 June 2021, Paratus has realised recurring revenue of N$305 million (2020: N$283 million) which represents a growth of 7.8% on a 12 months like-for-like basis. Non-recurring revenue, which represents customer premises Local Area Network installations and equipment sales amounts to N$30.8 million (2020: N$51.7 million). This represents a decline of 40.4% on a 12 months like-for-like basis. The decline is attributable to the slowdown in the construction of new commercial buildings due to the weak local economy.

The growth in recurring revenue is mainly attributed to the product offering to the consumer market which include fiber, LTE, VSat, and Sky-Fi. The growth in consumer business has compensated for the decline in the enterprise business emanating from the weak local economy. The revenue growth is commendable given the prolonged depressed Namibian economy.

GROSS PROFIT% - PARATUS



EBITDA - PARATUS



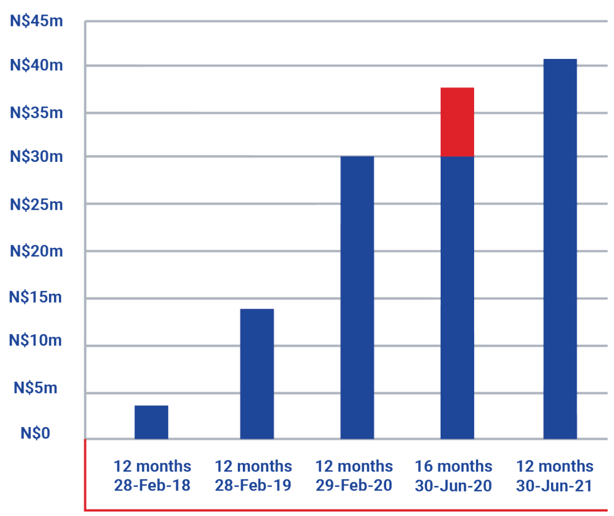
During the 2021 financial year the earnings before interest, taxation, depreciation and amortisation ("EBITDA") amounts to N$93.1 million (2020: N$83 million). This represents growth of 12.2% on a 12 months like-for-like basis. Paratus delivered net cash flow from operating activities of N$90.9 million. There is a close correlation between the EBITDA number and the cash flow from operating activities and therefore the EBITDA number mirrors the company'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, as well as the impact of IFRS 16.

The growth in the gross profit margin ("GP%") from 49.4% for the period ended 30 June 2020 to 52.3% for the year ended 30 June 2021 stems from the increased utilisation of Paratus-owned infrastructure replacing third-party infrastructure as well as the continued increase of customers on the existing infrastructure. The GP% is also influenced by the extend of non-recurring revenue, which produces gross profit margins between 5% and 30%. The 12 months like-for-like decline of 40.4% in non-recurring revenue has therefore also contributed to the overall higher GP% achieved.

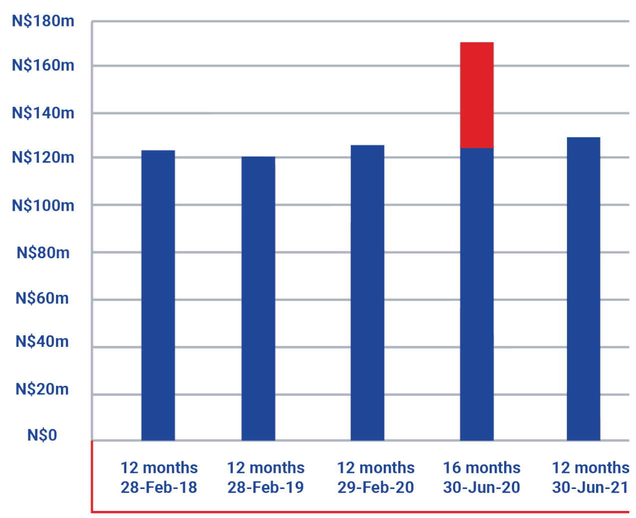
PARATUS NAMIBIA HOLDINGS LIMITED INTEGRATED ANNUAL REPORT 2021

CHIEF FINANCIAL OFFICER’S REPORT(CONTINUED)

PROFIT BEFORE TAX - PARATUS



OPERATING EXPENSES - PARATUS

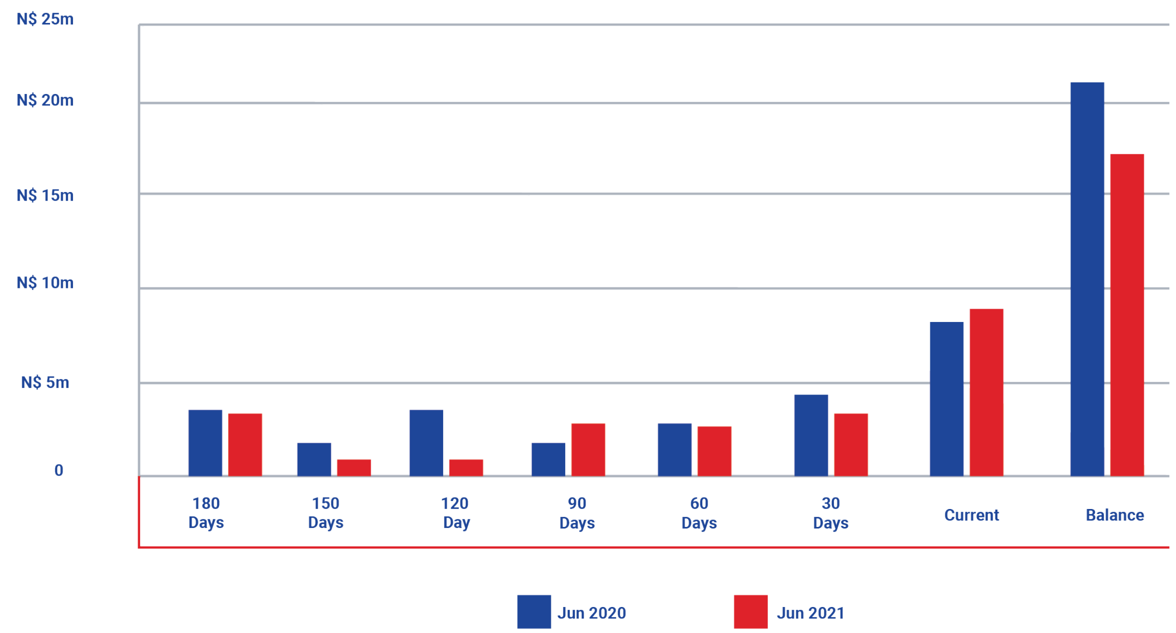


For the year ended 30 June 2021, the net profit before taxation amounts to N$40.8 million (2020: N$36.7 million). This represents a growth of 11%. On a 12 months like-for-like basis the net profit before tax increased by 22.2%. The main contributor to the growth is the improvement in the GP % and the containment of operating expenditure.

Total operating expenses for the year ended 30 June 2021 amounts to N$129.4 million (2020: N$168.9 million). The operating expenses on a 12 months like-for-like basis have remained flat at 1.4%, which is a significant achievement given the continued growth of the Company in terms of revenue and infrastructure deployed.

During the 2019 financial year, management implemented a cost management programme to reduce operating cost to achieve industry-leading levels of efficiency, alongside improving network quality and the overall experience for our customers. The increase in transaction volumes emanating from the consumer business necessitates us to automate as many processes as possible and especially the sign-up process of new customers.

ACCOUNTS RECEIVABLE AGEING- PARATUS



Paratus’ business model is more resilient than many other enterprises but is not immune to the challenges of the low growth economic environment and the challenges posed by the re-imposition of the strict lockdown measures. This has resulted in churn in the enterprise revenues as well as muted new enterprise business growth, but we have managed to grow revenue due to the demand from consumers as a result of the work-from-home and on-line schooling policies as imposed by employers and schools.

The recoverability of debtors is considered to be the area most significantly impacted by COVID-19. To mitigate the impact, we have been actively managing the collections from our customer base. The IFRS 9 provisions for bad debts recognised by the entity takes into account the known impact and the estimated future impact of COVID-19 on the recoverability of debtors. As is evidenced by the Debtors ageing graph above, the debtor’s book has been adequately managed with a continued reduction in the +90 day debtors when compared to the prior financial year. The expected credit loss allowance as at 30 June 2021 is N$3.1 million (2020: N$2.6 million). The expected credit loss rate increased from 2% to 5% in the current ageing bucket and from 11% to 14% in the 31 to 90 days ageing bucket and from 27% to 30% in the more than 90 days ageing bucket. The increase in the credit loss rate of the different ageing buckets is mainly due to the weak economic situation in which Namibia is finding itself.

In terms of the Shareholders Agreement entered into between Paratus and PNH, the following solvency and liquidity requirements, as well as dividend policy, were provided for:

Solvency requirements:
Debt/asset ratio – 50% to 75% (for this ratio any Preference shares will be deemed to be debt)

Dividend policy:
A dividend pay-out policy of a maximum of 50% of profit after tax has been adopted, subject to the capital requirements in the following year, working capital needs and other relevant factors. The Group is in a robust financial position with good liquidity, no material short-term refinancing requirements and with resilient free cash flow generation. Paratus has extensive capital deployment commitments into infrastructure for the 2022 financial year amounting to N$291 milion of which the data center and cable landing station amounts to N$96 million. The Board has declared a final dividend of 10 cents per share due to the various capital commitments for the 2022 financial year. The result is a full-year dividend of 20 cents per ordinary share. Our capital allocation priorities are to support investment in critical network infrastructure to create shareholder value.

LOOKING AHEAD

According to the bank of Namibia Economic Outlook Report, the growth forecast of Namibia for 2021 has been revised down from 2.7% to 1.4%. The revision is largely driven by lower anticipated diamond output for 2021, as well as the slow vaccine roll-out and re-imposition of some lockdown measures. Stronger mining output is expected to result in stronger growth of 3.4% in 2022. The report further indicates, growth of 17.4% was experienced in the Information and Communication sector during 2020. This growth is expected to ease to 7.8% for 2021, but still bodes well for future revenue growth in specifically our recurring revenue streams.

For the financial year ending 30 June 2021 Paratus delivered commendable revenue growth against a backdrop of a weak local economy. Paratus remains well placed to grow revenues due to the continued demand for reliable Internet coupled with the ongoing rollout of last-mile infrastructure. The anticipated growth for the 2022 financial year is to be driven mostly by the expansion of our fiber and LTE network across Namibia.

For the 2022 financial year, a further N$291 million investment into infrastructure was approved by the Board. This investment will mainly be earmarked for the Data Center, Cable Landing Station for the Equiano under-sea cable and Fiber-to-the-X (FTTx) rollout. The capital expenditure is to be funded by a combination of own cash resources and the remainder of the proceeds from the bond programme.

The directors are of the opinion that the continued investment in infrastructure assets bodes well for both revenue growth and improved operating margins.

Stefan de Bruin
Chief Financial Officer
06 December 2021

PARATUS NAMIBIA HOLDINGS LIMITED INTEGRATED ANNUAL REPORT 2021

CORPORATE GOVERNANCE AND RISK MANAGEMNET

CORPORATE GOVERNANCE

The Board is responsible for the overall conduct of the Group's businesses and for the establishment of a corporate governance framework that takes into account the best practice recommendations as set by the Audit, Risk and Compliance ("ARC") Committee, the Companies Act of Namibia, the Namibian Code ("NamCode") report and the Namibian Stock Exchange Listings Requirements.

The Board of directors of PNH fully subscribes to the principles of good corporate governance and regards these as fundamentally important to the business' success and sustainability of the Group.

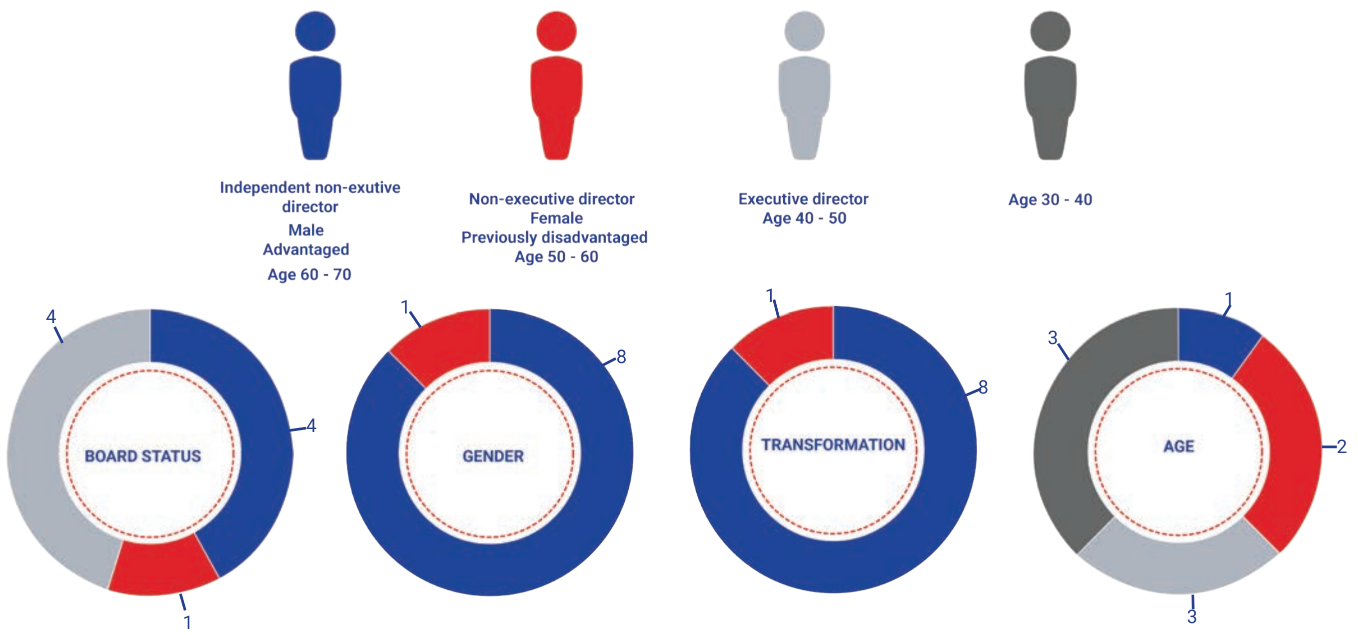
BOARD CHARTER

The board charter provides guidelines to directors in respect of, inter alia, the Board's responsibilities, authority, composition, procedures, meetings and the need for performance evaluations. The board charter also provides for a clear division of responsibilities to ensure a balance of power and authority to ensure that no single director has unfettered powers of decision-making.

During the period the subsidiary companies within the group revoked their board charters and adopted the charter of the holding company PNH.

COMPOSITION OF THE BOARD OF DIRECTORS

The Company and Group has a Board which is diverse in terms of race, gender, business skills, experience and tenure. This diversity provides for robust discussion and assists in reaching decisions which are considered and appropriately reflect the strategic objectives of the Company and Group, its resources and the financial and operational targets to be established, measured and managed.



The Board subscribes to a unitary board structure with a balance of executive and non-executive directors. The Board of directors will at all times be a majority of non-executive directors, the majority of whom must be independent as defined in NamCode.

The chairperson of the Board is an independent non-executive director. The chairperson will be appointed on an annual basis and will be responsible for the effective leadership of the Board. The chairperson, together with the Board, will consider the number of outside chairpersonships held and the Board will ensure a proper succession plan for the position of chairperson.

The Managing Director ("MD"), Group Chief Executive Officer ("CEO"), Group Chief Financial Officer ("CFO") and Group Chief Operations Officer ("COO") are ex officio members of the Board.

There is a clear division of responsibilities between the executive responsibility for the running of the business and the leadership of the Board, such that no one individual has unfettered powers of decision-making.

The Remuneration and Nomination Committee ("REMCO") of the Board will assist with the identification of suitable candidates for appointment to the Board and to board committees. Directors appointed by the Board based on the recommendation of the REMCO will stand down at the first annual general meeting of shareholders following such appointment and may offer themselves for re-election.

The Board will on an annual basis consider its size, diversity, demographics and skills requirements as part of the assessment of the Board and directors' performance.

At least one third of the non-executive directors will retire by rotation on an annual basis.

The independence of all independent non-executive directors will be assessed on an annual basis with a specific focus on the independence of independent non-executive directors who have served for more than six (6) years and the outcome of such assessments will be reported on in the integrated report.

During the previous financial period the Board composition was reviewed and the directors of PNH and Paratus were aligned to create mirror boards.

The directors at date of this report are:

Director	Date appointed	Status
Hans-Bruno Gerdes	08 August 2017	Independent non-executive director | Chairperson
Romé Mostert	30 June 2017	Independent non-executive director
Stuart Birch[1]	08 August 2017	Independent non-executive director
Jaco Esterhuyse[1]	26 May 2018	Independent non-executive director
Josephine Shikongo	08 August 2017	Independent non-executive director
Stefan de Bruin	08 August 2017	Group Chief Financial Officer | Executive director
Schalk Erasmus	08 August 2017	Group Chief Operations Officer | Executive director
Andrew Hall	25 September 2019	Managing Director: Namibia | Executive director
Bartholomeus Harmse	25 September 2019	Group Chief Executive Officer | Executive director
Rolf Mendelsohn[2]	25 September 2019	Group Chief Technology Officer | Executive director

[1] South African
[2] alternate director to Bartholomeus Harmse

RETIREMENT BY ROTATION OF BOARD MEMBERS

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

In this regard the Board resolved that the two most senior non-executive board members are to retire annually. Seniority is determined by the date of appointment. Where more than one director was appointed on the same day, the director who is older is deemed to be more senior.

Hans-Bruno Gerdes and Romé Mostert shall retire at the annual general meeting. Both individuals are eligible for re-election and nominated as such.

ROLE AND FUNCTION OF THE BOARD

- As its primary function, the Board is responsible to determine the strategic direction and to exercise prudent control over the Company and/or Group and its affairs.
- The Board and the individual directors will at all times act in the best interest of the Company and/or Group and adhere to all relevant legal standards of conduct.
- The Board serves as the focal point and custodian of corporate governance in the Group and exercises its leadership role by:
    - steering the Group and setting its strategic direction;
    - approving policy and planning that give effect to the direction provided;
    - overseeing and monitoring of implementation and execution by management; and
    - ensuring accountability for performance by means of, among others, reporting and disclosure.
- The Board appointed the MD, CEO, CFO and COO and formally evaluate the performance of such officers annually against agreed performance measures and targets. The Board satisfies itself that there is succession planning for the MD, CEO, CFO and COO (emergency situations and succession over the longer term) and periodically review these plans. In addition, the Board, via the REMCO, provides input regarding senior management appointments, remuneration and succession plans.
- The Board approves and annually reviews a delegation of authority framework that articulates its set direction on reservation and delegation of power. The Board oversees that key management functions are headed by an individual with the necessary competence and authority and are adequately resourced.
- The Board implemented a formal governance framework in respect of subsidiary companies and other related entities in the Group.
- The Board, with the support and guidance of the REMCO, adopted remuneration policies that are fair, responsible and aligned with the strategy of the Company and/or Group while linked to individual performance. A remuneration report is included in the integrated report and the remuneration policy and implementation report shall be submitted to shareholders annually for a non-binding, advisory vote.

RESPONSIBILITIES OF INDIVIDUAL DIRECTORS

- In fulfilling due responsibility to the Company and/or Group, a director will at all times:
    - act in the best interest of the Company and/or Group, in good faith and with integrity and adhere to all relevant legal standards of conduct;
    - conduct themself in a professional manner;
    - avoid any conflict of interest between their personal affairs and that of the Company and/or Group or, where unavoidable, in writing disclose any such conflict or potential conflict;
    - disclose any information that they may be aware of that is material to the Company and/or Group and which the Board is not aware of, unless such director is bound by ethical or contractual obligations of non-disclosure;
    - only use their powers for the purposes for which they were conferred and not to gain an advantage for themself or a third party or to harm the Company and/or Group in any way;
    - only act within their powers as formally delegated by the Board;
    - keep all information learnt in his capacity as a director strictly confidential;

CORPORATE GOVERNANCE (CONTINUED)

RESPONSIBILITIES OF INDIVIDUAL DIRECTORS (CONTINUED)

  - use their best endeavours to attend Board and relevant Board committee meetings where at all possible and devote appropriate preparation time ahead of each meeting to ensure that they are in a position to contribute to board and committee discussions and to make informed decisions on matters placed before the Board or Board committee;
  - exhibit the degree of skill and care as may be reasonably expected from a person of their skill and experience, but also exercise both the care and skill any reasonable person would be expected to show in looking after their own affairs; and
  - actively participate in and contribute to board deliberations in a constructive and frank manner under the leadership and guidance of the chairperson.

- Individual directors will be expected to participate in the induction programme of the Company and/or Group on appointment and attend such professional development programmes as deemed necessary by the chairperson based on the outcome of the annual assessment of the director's performance.

- Directors who are not able to attend a meeting of the Board must submit a formal written apology, with reasons, to the chairperson or Company Secretary prior to the relevant meeting.

- The directors are entitled to have access, at reasonable times, to all relevant Company and/or Group information and to management. Such access shall be arranged through the chairperson of the Board or the Chief Executive Officer.

DEVELOPMENT OF DIRECTORS

A formal induction programme will be in place for new directors who will also be provided with a letter of appointment. Inexperienced directors will be assisted, with the guidance of the chairperson, to participate in mentoring programmes where available. The need for continuing professional development programmes will be identified as part of the annual assessment of the performance of the directors.

Directors will be provided with regular briefings on changes in risks, laws and the environment but will also be expected to keep abreast of developments in the business environment and markets that may have a material impact on the business.

As part of the succession policy of the Board, suitably qualified candidates can be appointed as members of board committees as to ensure that such candidates obtain sufficient exposure and experience.

BOARD PROCEDURES AND POLICIES

The Board adopted the below policies and procedures to ensure proper governance in the management of its affairs:

Conflicts of interest: The Board adopted a formal Code of Conduct and Conflicts of Interest Policy in terms of which conflicts are defined and appropriate procedures for dealing with conflicts are prescribed. Directors are at liberty to accept other board appointments so long as the appointment does not conflict with the business of the Company and/or Group and does not detrimentally affect the director's performance as a director on the Board of PNH.

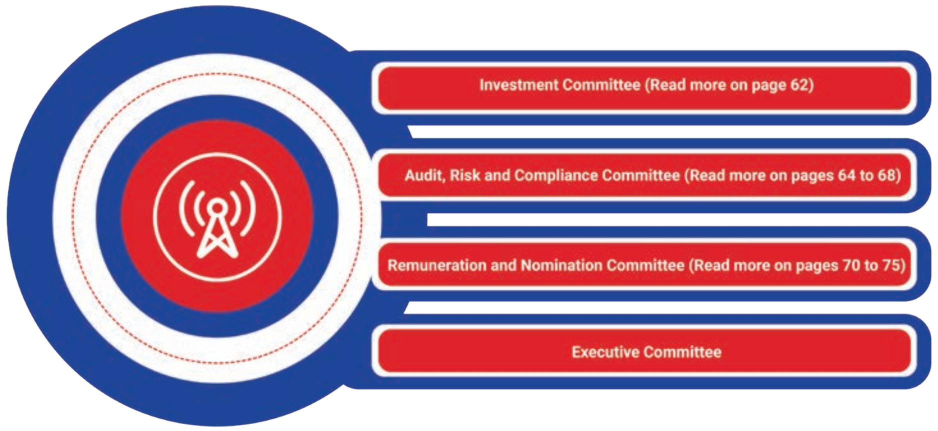
Trading in company equities: The Board adopted and approved a formal procedure to regulate the trading by directors, officers and senior management in the Company's equities.

Dissemination of company information: The Board approved a policy in respect of the dissemination of Company and/or Group information in order to regulate the circulation of price sensitive information and to ensure equal treatment of all shareholders

BOARD COMMITTEES

The Board has delegated certain of its functions to well-structured committees but without abdicating its own responsibilities.

As a minimum, the Board has established an Audit, Risk and Compliance Committee ("ARC"), Investment Committee ("IC") and a REMCO.



Each board committee, as established by the Board, has a committee charter approved by the Board and is reviewed annually. The committees are appropriately constituted with due regard to the skills required by each committee.

Each of these committees are chaired by an independent non-executive director or by a suitably qualified non-executive committee member and the majority of committee members are independent non-executive directors.

Refer to separate committee reports on pages 62 to 75 for more information on each of the committees.

The table below depicts the composition of the Board committees:

Director	ARC	REMCO	IC
Hans-Bruno Gerdes	✓	✓	
Stuart Birch[1]			✓
Jaco Esterhuyse[1]	✓		CP
Romé Mostert		CP	✓
Josephine Shikongo	✓	✓	
Heinrich Jansen van Vuuren[2]	CP		✓

CP chairperson of committee
✓ member
1 South African
2 independent member

BOARD MEETING ATTENDANCE FOR THE YEAR

The Board held sufficient meetings during the year to discharge all its duties. The agendas of the meetings covered the annual work plan and all relevant matters, as set out in the charter. Open and constructive discussions assisted the Board in reaching appropriate decisions.

Board meetings conducted via telephone or electronic communication, are permitted and all concerned could actively participate in the meeting. Directors participating via these facilities were counted for quorum purposes.

The table below depicts the Board meeting attendance during the year:

Director	30 June 2021	18 March 2021	28 January 2021	22 September 2020	Total
Hans-Bruno Gerdes (chairperson)	✓	✓	✓	✓	4/4
Stuart Birch	✓	✓	✓	✓	4/4
Jaco Esterhuyse	✓	✓	✓	✓	4/4
Bartholomeus Harmse	✓	✓	✓	✓	4/4
Rolf Mendelsohn	Apologies	✓	✓	✓	3/4
Romé Mostert	✓	✓	✓	✓	4/4
Josephine Shikongo	✓	✓	✓	✓	4/4
Stefan de Bruin	Apologies	✓	✓	✓	3/4
Schalk Erasmus	✓	✓	✓	✓	4/4
Andrew Hall	✓	✓	✓	✓	4/4

✓ present

DECLARATION OF INTEREST

In addition to the declaration of interests maintained in the register of interests the following interest were declared pertaining to matters discussed at the meeting of 22 September 2020.

Hans-Bruno Gerdes	Old Mutual
Jaco Esterhuyse	Capricorn
Romé Mostert	Cirrus and Hangala
Josephine Shikongo	Hangala

PERFORMANCE EVALUATION OF BOARD AND COMMITTEES

A regular assessment of the performance of the Board, chairperson, individual directors and board committees will be done.

COMPANY SECRETARY

Cronjé Secretarial Services (Pty) Ltd is the company secretary, represented by Mr. Christiaan Cronjé and Ms. Katherine Amakali, duly appointed by the Board in accordance with the Companies Act of Namibia. The Board considered and is satisfied that the individuals who perform the company secretary role, are properly qualified and have the requisite knowledge, skills and experience to competently fulfil the function of company secretary.

The representatives of the company secretary are not directors of the Company and/or Group.

The Board empowers the company secretary to enable it to properly fulfil its duties.

INVESTMENT COMMITTEE

The IC is appointed by the Board.

TERMS OF REFERENCE

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

MEMBERS AND ATTENDANCE AT MEETINGS

There has been no change to the membership of the committee during the year.

The committee meets as required.

The meetings and the attendance by the members are detailed below:

Director	25 August 2020	Total attendance
Jaco Esterhuyse (CP)[2]	✓	1/1
Stuart Birch	✓	1/1
Heinrich Jansen van Vuuren[1]	✓	1/1
Rome Mostert	✓	1/1

✓ present
CP chairperson
[1] independent member
[2] Heinrich Jansen van Vuuren assumed the role of chairperson for the meeting held during the year.

COMPOSITION

The committee is constituted as a committee of the Board of directors. The duties and responsibilities of the members of the committee are in addition to those as members of the Board.

The committee comprises of at least three non-executive directors and/or other suitably qualified person(s) appointed by the Board. A majority of the members of the committee shall be independent non-executive directors.

The deliberations of the committee do not reduce the individual and collective responsibilities of the Board members in regard to their fiduciary duties and responsibilities, and they must continue to exercise due care and judgement in accordance with their statutory obligations.

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

ROLE AND RESPONSIBILITIES

The committee has an independent role, operating as an overseer and makes recommendations to the Board for their consideration and final approval. The committee does not assume the functions of management, which remain the responsibility of the executive directors, officers and other members of senior management.

The committee is responsible for:

- setting criteria and targets for investments;
- advising on and/or effecting disposals, acquisitions and developments within the approved investment policy and authority limits;
- developing and recommending sustainability practices for the Company and Group.

The committee has the authority to approve expenditure relating to potential transactions, disposals and/or acquisitions.

MAJOR ACHIEVEMENTS FOR 2021

Paratus Telecommunications (Proprietary) Limited has entered into a 15 year agreement with Blue Path Technology Company (Unlimited) and ZA Asset Management (Proprietary) Limited (collectively "Google"), to be the landing partner for the Equiano undersea cable in Namibia.

The Board approved the construction of a Data Center in Windhoek with a total value of N$123 million (including the erf). The Data Center will be 1 300 square meters in size and will host 150 cabinets of which Google as anchor tenant will occupy 50 cabinets.

The Board also approved the construction of the Cable Landing Station and Power Feeding Equipment totalling N$38 million (including the erf). The Cable Landing Station consists of the building and other terminal facilities (active and passive) which is required to land the Equiano Submarine Cable System.

KEY FOCUS AREA FOR 2022

The committee will continue to consider investment opportunities for the Group within its defined strategic investment objectives.

AUDIT, RISK AND COMPLIANCE COMMITTEE

The ARC is constituted as a committee of the Board of directors. The ARC is appointed for a three-year term. The duties and responsibilities of the members of the committee are in addition to those as members of the Board.

TERMS OF REFERENCE

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

MEMBERS AND ATTENDANCE AT MEETINGS

There has been no change to the membership of the committee during the year. Heinrich Jansen van Vuuren succeeded Jaco Esterhuyse as chairperson of the committee.

The meetings and the attendance by the members are detailed below. In accordance with the charter adopted the committee should meet at least twice per annum.

Director	17 June 2021	10 March 2021	15 September 2020	Total attendance
Heinrich Jansen van Vuuren (CP) [1]	✔	✔	✔	3/3
Jaco Esterhuyse	✔	✔	✔	3/3
Hans-Bruno Gerdes	✔	✔	✔	3/3
Josephine Shikongo	✔	✔	✔	3/3

✔ present
CP chairperson
[1] independent member

COMPOSITION

The committee comprises of at least three members, who shall be non-executives and of whom the majority shall be independent persons. The Chairperson of the committee is appointed by the Board. Heinrich Jansen van Vuuren, an independent member and deemed to be a suitably qualified person, is appointed chairperson.

The Chairperson of the committee understands the function of the ARC and is able to lead constructive dialogue with management, the internal and external auditors, other external assurance providers and the Board. The Chairperson is afforded sufficient time to participate in and agree the committee agenda before meetings are convened.

Members of the committee satisfy the requirements to serve as members of an ARC, has a basic level of qualification and experience and collectively have adequate knowledge and experience, to the Company and Group's size and circumstances, as well as its industry, to carry out their duties.

The committee is responsible to oversee the integrated reporting and this committee, collectively, have an understanding of IFRS and other financial or sustainability reporting standards, regulations or guidelines applicable to the Company and Group.

SCOPE AND RESPONSIBILITIES

The roles and responsibilities include, but are not limited to:

- review of internal controls and systems;
- monitoring that decisions taken by the Board affecting the committee is followed through;
- monitoring compliance with the Articles of Association, NSX Listings Requirements, Companies Act of Namibia and NamCode on corporate governance and other applicable legislation;
- review the audit management letter;
- recommend letters of representation and other documentation for Board approval;
- recommend approval of annual reports and interim results to Board;
- recommend approval of annual budgets to Board;
- recommend approval of NSX announcements to Board;
- agree and recommend accounting policies to Board;
- reporting to Board on proceedings of the committee;
- monitor the corporate risk assessment process;
- monitor the financial risk assessment process and the committee must review;
  - financial risks;
  - internal financial controls;
  - fraud risk as they relate to financial reporting;
  - IT risk as they relate to financial reporting; and
- reporting to the NSX in the annual NSX compliance, that the committee has monitored compliance during the year concerned;
- consider problems identified in the going concern assumption;
- consider the appropriateness and disclosure of related party transactions;
- the committee oversees integrated reporting;
  - have reasonable regard to all material factors and risks that may impact on the integrity of the Integrated Annual Report;
  - review the financial statements, interim reports, preliminary or provisional results announcement, summarised integrated information, any other intended release of price-sensitive information and prospectuses, trading statements and similar documents;
- the committee ensures that a combined assurance model is applied to provide a coordinated approach to all assurance activities;
- the committee satisfies itself of the expertise, resources and experience of the finance function of the Company and Group; and
- the committee shall be responsible for overseeing any internal audit function, once such function is in place.

EXTERNAL AUDIT

As regards External Audit, the committee:

- is satisfied with their independence especially where non-audit services are performed;
- agreed the principles with the external auditors without limiting their statutory obligations;
- decided on the extent of external verification of non-financial information;
- decided on the external review of interim results; and
- recommends that PricewaterhouseCoopers ("PWC") be re-appointed for the financial year ending 30 June 2022 and has overseen the external audit process; and
- recommended the proposed audit fees by the external auditors to the Board during June 2021.

The external auditor attended the majority of committee meetings and has unfettered access to the ARC chairperson and the Board.

INTERNAL AUDIT

The committee deemed the appointment of a dedicated internal audit function in the Group as unfeasible, taking into consideration the size of the Group. The committee deliberated to outsource this function to address specified risk areas and concluded to outsource the function to the Capricorn Group.

INTERNAL CONTROLS

These financial statements support the viability, accountability and effective internal control processes of PNH.

The system of internal financial and operational controls are the responsibility of the board. Management ensure that assets are protected, systems operate effectively, and all valid transactions are recorded properly.

Risks and controls are reviewed and monitored regularly for relevance and effectiveness. Internal controls are designed to mitigate and not to eliminate significant risks faced. Such a system provides reasonable but not absolute assurance against error, omission, misstatement or loss. This is achieved through a combination of risk identification, evaluation and monitoring processes, appropriate decision-making, assurance and control functions such as risk management and compliance.

Based on reviews, information and explanations given by management and discussions with the external auditors on the results of their audit, the committee is satisfied that the system of internal controls of PNH operated effectively in the year under review. Nothing has come to the committee's attention that causes it to believe that the system of internal financial controls is not effective.

FINANCE FUNCTION

The committee has reviewed the financial statements of the Company and Group and is satisfied that they comply with IFRS.

The external auditor has expressed an opinion on the financial statements for the year ended June 2021, refer to page 80.

The committee is satisfied that Stefan de Bruin, the CFO for the financial year ended 30 June 2021, has the appropriate expertise and experience to meet his responsibilities in the position. The expertise, experience and adequacy of the resources making up the finance function were also considered, and the committee is satisfied that these are appropriate.

GOING CONCERN

The committee has reviewed a documented assessment, including key assumptions prepared by Management. The Group has adequate access to borrowing facilities and investments to meet foreseeable cash requirements; no non-compliance with statutory or regulatory requirements; no pending changes to litigation which may affect the Group; no pending legal action or litigation against the companies in the Group; all key management positions have been filled; the forecasted cash flows and operational budgets indicate that the Group has sufficient operating profit and cash flows to service its financial obligations and no breach of loan/bond covenants.

The committee, reported to the board that it supports management's view that the Company and Group will continue as a going concern for the foreseeable future. The going-concern basis has been adopted in preparing the financial statements.

COMPLIANCE GOVERNANCE

The committee is responsible for the compliance with applicable laws, rules, codes and standards. All of the laws, codes and standards applicable to PNH have been identified and the responsibility for implementing compliance has been delegated to management.

RISK MANAGEMENT

The Board affirms its responsibility towards upholding risk management, including the governance of technology and information. The governance model reflects both business and IT requirements, focusing on strategic alignment, value delivery, risk management (including information security, resilience, as well as legislative, health and safety compliance), resource management and performance management. The committee assists the Board in carrying out its responsibilities for risk management, including risk appetite and IT risk.

The committees and the management team promote a culture of risk governance and awareness throughout the organisation.

Management is accountable to the Board, through the committee, for:

- the implementation of the risk frameworks and methodologies and the recommendation for approval thereof to the Board;
- embedding the risk management process in the business;
- regularly provide the committee with a register of the Company and Group's key risks and potential material risk exposures; and
- reports to the Board any material changes and/or divergence to the risk profile of the Company and Group.

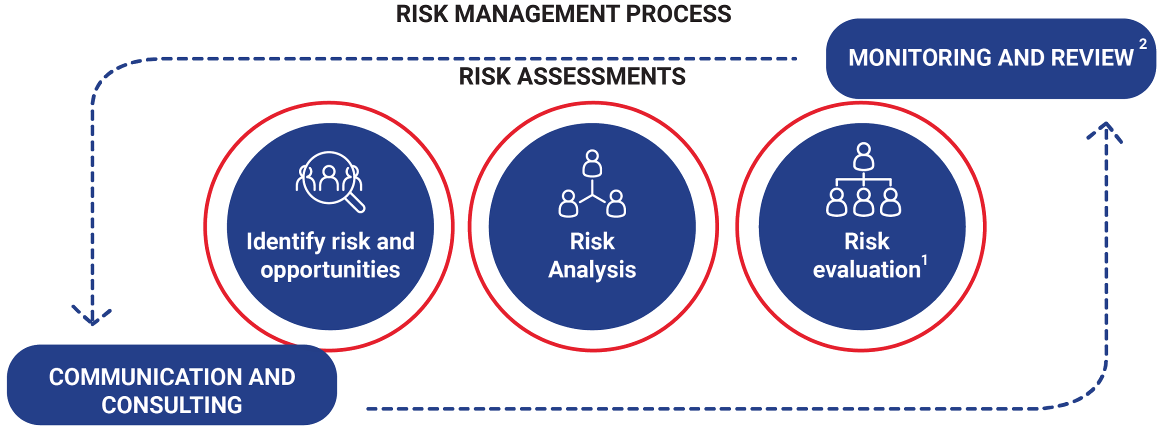
AUDIT, RISK AND COMPLIANCE COMMITTEE (CONTINUED)

Management is also accountable for the following key matters specifically related to IT risk:

- IT strategy;
- IT policy;
- IT reference architecture;
- IT organisational and governance structures;
- IT risk management inclusive of information security/cybersecurity;
- Strategic projects;
- Significant outsourcing; and
- Adequacy of IT resources.

The committees oversee the integrated risk management process and receive regular feedback from management on all risk-related activities. The committees regularly assess all risk governance structures and lines of defence to ensure that roles, responsibilities and accountabilities for identifying, managing, mitigating, reporting and escalating risks and opportunities within the Company and Group are appropriately defined and responded to.

RISK MANAGEMENT PROCESS

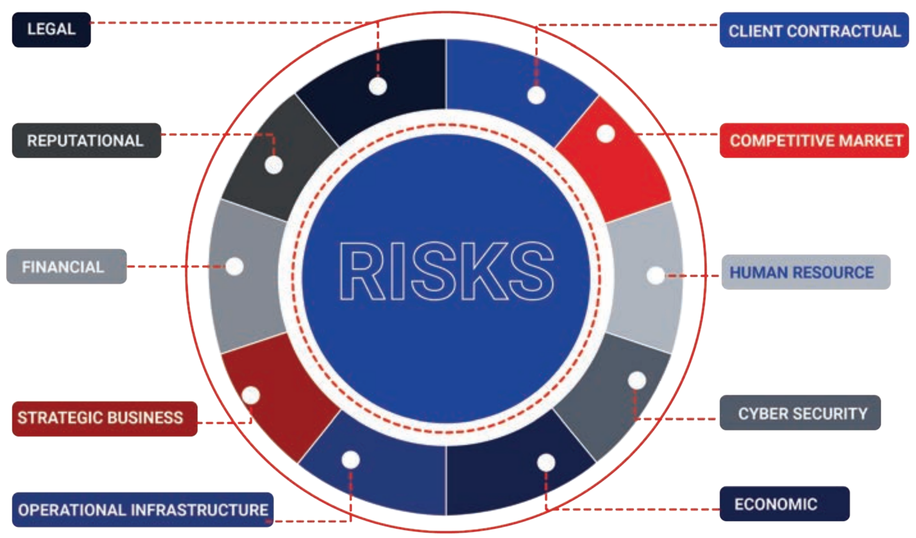


1 Ensure that appropriate controls and responses are in place to mitigate the risks and manage identified opportunities (recorded in risk registers)
2 Regularly analysing and monitoring the effectiveness of current controls. Regular and timely reporting to the ARC committee and the Board. Risk management is integrated within management's everyday agenda to ensure that mitigation actions for identified risks are implemented.

The committee is satisfied with the progress made with respect to the risk assessment and risk management process and the effectiveness thereof.

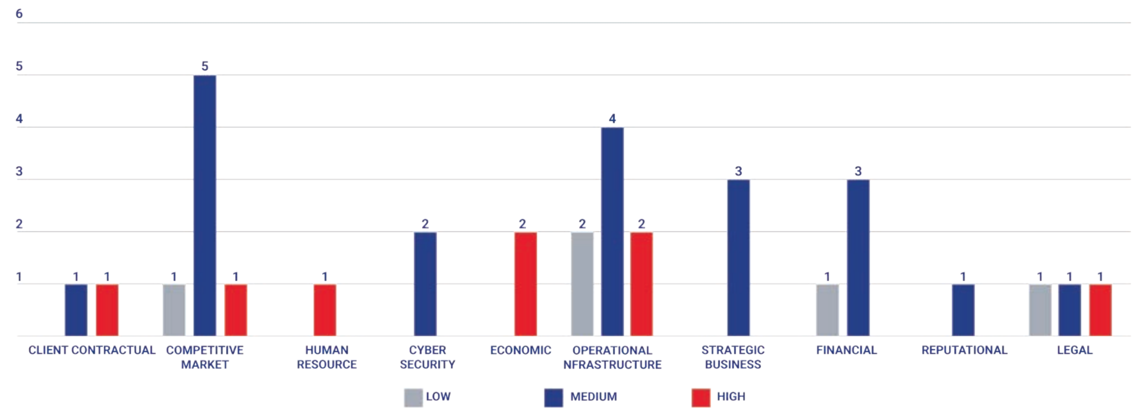
RISK REGISTER

Risks identified are classified under 1 of the following 10 risk categories, depicted below:

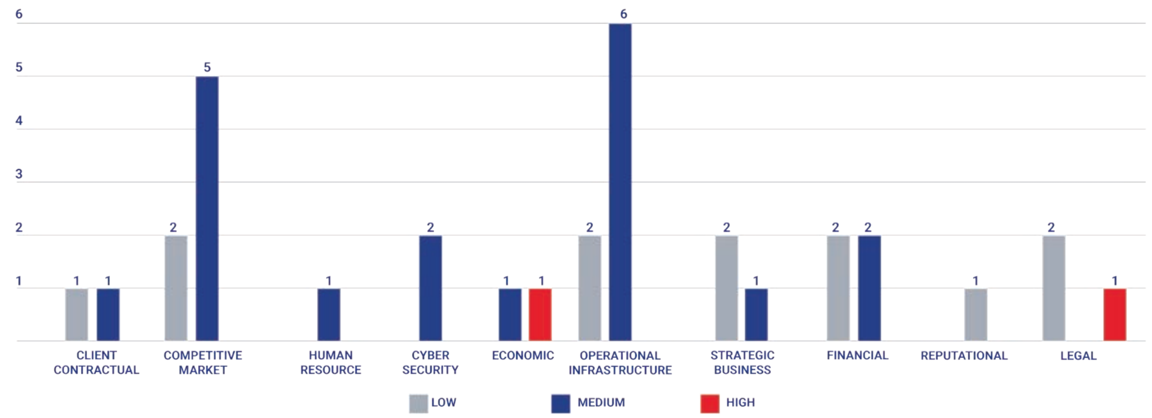


As at year end 33 risks have been identified and classified of which 5 was regarded low risk, 20 medium risk and 8 high risk before any mitigated action was applied.

PRE MITIGATING ACTIONS



POST MITIGATING ACTIONS



The remaining two high risks, after mitigating actions, emanate from the Economic risk and the Legal risk classification.

The COVID-19 pandemic was still regarded as a high risk as the country experienced severe impact during the third wave at that point in time. The Group was cognisant of the financial impact the pandemic could have revenue, bad debts, customer churn and even more far reaching such as foreign exchange losses due to exposure to foreign suppliers and value of investments.

This risk is mitigated by the following actions:

- Offer discounts during lockdown;
- Offer payment arrangements, pro active follow up on arrears;
- Discounts requested from upstream service providers;
- Volume discounts; and
- Offered sales promotions.

The high legal risk emanates from the litigation brought against the parties as set out in the table below:

LITIGATION

Court case	Nature of proceedings and status
Paratus Telecommunications Limited // Municipal Council of Windhoek and CRAN	Paratus brought an urgent application seeking the Court to halt the City of Windhoek from preventing Paratus to exercise its rights and obligations in terms of section 69 of the Communications Act.
Paratus Telecommunications Limited // Municipal Council of Windhoek and CRAN	Paratus brought an application to the High Court of Namibia to review the granting of a Class Comprehensive Telecommunications Service license (ECNS and ECS) to the City of Windhoek by CRAN.

This risk is mitigated by the following actions:

- Reputable legal firm to provide legal assistance;
- Strict compliance with section 62 of Communications Act (notifications and not applications);
- Regular feedback to the Board;
- Managing contractors; and
- Declarator with High Court on license awarded to City of Windhoek by CRAN

AUDIT, RISK AND COMPLIANCE COMMITTEE (CONTINUED)

NAMCODE REVIEW

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

The review of the NamCode is done on a "apply or explain" basis.

Where items are indicated as applied, the Board evaluated and concluded that PNH applies with all requirements. Items indicated as partially applied, indicates that not all aspects as recommended by the NamCode were applied with and the exceptions are explained.

Principle		Status	Explanations
1.	Ethical leadership and corporate citizenship	APPLIED	
2.	Boards and directors	PARTIALLY APPLIED	
	2.10. The Board should ensure that there is an effective risk-based internal audit	Partially applied	The Board decided to outsource this function to address specified risk areas.
3.	Audit committees	APPLIED	
4	The governance of risk	APPLIED	
5.	The governance of Information Technology ("IT")	APPLIED	
6.	Compliance with laws, rules, codes and standards	APPLIED	
7.	Internal Audit	PARTIALLY APPLIED	
	7.1. to 7.5. Principles dealing with internal audit	Explain	Please refer to principle 2.10. above. The Board will review all internal audit reports.
8.	Governing stakeholder relationships	APPLIED	

INTEGRATED REPORT

The committee is responsible for overseeing the Group's Integrated Annual Report and the reporting process.

This Integrated Annual Report for the year ended 30 June 2021, which has been reviewed by the committee, focuses not only on the Group's financial performance, but also its economic, social and environmental performance. This report sets out how the Group has engaged with stakeholders, addressed its material issues and governed its business.

The committee is satisfied with the quality and integrity of the information contained in the Integrated Annual Report for the year ended 30 June 2021 and recommended it to the Board for approval.

AUDIT, RISK AND COMPLIANCE COMMITTEE

Heinrich Jansen van Vuuren (CP)

Jaco Esterhuyse

Hans-Bruno Gerdes

Josephine Shikongo

REMUNERATION AND NOMINATION COMMITTEE

The REMCO is constituted as a sub-committee of the Board of directors.

TERMS OF REFERENCE

The REMCO has adopted a formal charter, approved by the Board, which inform its agenda and work plan to allow for the specific responsibilities to be discharged by committee members collectively.

MEMBERS AND ATTENDANCE AT MEETINGS

There has been no change to the membership of the committee during the year. Romé Mostert chaired the meeting held during the year.

The REMCO should meet at least twice per annum, in accordance with the charter adopted. The second meeting for the year did not materialise and the REMCO matters were addressed directly at the Board meeting in June 2021.

Director	13 October 2020	Total attendance
Rome Mostert (CP)	✓	1/1
Hans-Bruno Gerdes	✓	1/1
Josephine Shikongo	✓	1/1

✓ present

COMPOSITION

The duties and responsibilities of the members of the committee are in addition to those as members of the Board.

The deliberations of the committee do not reduce the individual and collective responsibilities of the Board members in regard to their fiduciary duties and responsibilities, and they must continue to exercise due care and judgement in accordance with their statutory obligations.

The committee comprises of at least three non-executive directors and/or other suitably qualified person(s) appointed by the Board, a majority of whom are independent non-executive directors.

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

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

SCOPE AND RESPONSIBILITIES

Remuneration and Nomination:

The committee assists the Board to ensure that:

- the directors and executives are fairly and responsibly remunerated;
- the disclosure of directors' remuneration is accurate, complete and transparent;
- the overall remuneration philosophy promotes the achievement of the strategic objectives;
- the Board has the appropriate composition to execute its duties effectively;
- directors are appointed through a formal process; and
- formal succession plans for the members of the Board, Chief Executive Officer and senior management appointments are in place.

Committee responsibilities:

- the Executive Committee ("EXCO") of Paratus is responsible for the review of employee salaries (excluding the Paratus EXCO) and proposes adjustments to its REMCO on an annual basis (PNH EXCO is tasked with providing a high-level report to REMCO with proposals as to annual salary increases of the Paratus employees);
- approve annual increases of EXCO;
- approve new year performance contracts in conjunction with Board approved strategy (EXCO);
- assess performance of EXCO;
- selects an appropriate peer group when comparing remuneration levels;
- consider candidates and recommend appointments to Board (EXCO);
- consider candidates and recommend appointments to Board (all Board members);
- finalise employment contracts of EXCO;
- recommend non-executive directors' fees to the Board;
- recommend company secretary fees to the Board;
- consider Board composition for recommendations to the Board;
- assess committee compliance with its charter and report to the Board; and
- oversees the preparation of the remuneration report included in the integrated report to ensure that it is accurate, complete, transparent, and provides a clear explanation of how the remuneration policy has been implemented.

Social and Ethics:

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

MAJOR ACTIVITIES FOR 2021

The most significant development this year, and one that the Group can be particularly proud of, was the response of the Group to the COVID-19 pandemic.

When the COVID-19 pandemic first broke, we stuck to our business principle of being 'always prepared'. We sought advice from medical professionals and took steps to protect our own employees, believing that our first responsibility was towards our people and where possible, their direct and indirect family members too.

We issued subsidised vitamin booster packs, at a cost of circa N$88,500 to the Group, to all our employees. Masks and sanitisers were made available immediately to the value of approximately N$12,000.

Paratus introduced a COVID-19 leave policy, which included an additional 10 leave days allocated to each employee in addition to existing leave, which must be used as prescribed by the guidelines of the COVID-19 leave policy.

By the time the COVID-19 restrictions were tightened by the Government in the attempt to combat the spread of the disease we already had a plan of action in place.

- first all high-risk individuals were sent home to work from home, without rotating;
- all departments were split into two groups and worked from home on a rotational basis of 14 days at a time;
- all staff already had a VPN setup on their computers and all staff was able to work from home;
- Paratus ensured that all staff could work from home, by ensuring everyone had a reliable internet connection and by supplying free top-up's where needed; and
- essential service employees were supplied with the necessary paperwork to travel in case of emergencies.

As the government's regulations changed during the period, we remained flexible and adapted the work structure as necessary.

We also bought a number of oxygen cylinders and concentrators which were circulated continuously throughout Namibia among any employees in dire need. These cylinders and oxygen concentrators were available not only in Windhoek but also in remote towns of the country.

The action most important in these troubling economic conditions was that Paratus paid full salaries to all level of employees throughout this whole pandemic.

REMUNERATION REPORT

It is our belief that all factors which underpin enhanced performance require the highest calibre of leadership and specialist technical expertise, and that stakeholders' interests are best served by aligning strategy, the business model, the structure, staffing and compensation.

Attracting and retaining high-calibre talent depends on providing both intrinsic and extrinsic rewards. To complement this, compensation policies are directed at sustaining a performance-driven culture.

This remuneration report focuses on the fixed and variable elements of remuneration and fees paid to non-executive directors. This is in keeping with the commitment to fair, responsible, and transparent remuneration and remuneration disclosure.

PART 1: OVERVIEW OF REMUNERATION POLICY

The remuneration philosophy and policy are key components of the HR strategy and govern the remuneration of executive management (executive directors and prescribed officers), non-executive directors and other employees and fully support the overall business strategy. We recognise that our employees are fundamental to our success. Paratus therefore needs to be able to attract and retain employees of the highest calibre and a strategic, professional approach to recruitment is essential to do this.

The purpose of the Remuneration policy is to provide a sound framework for the recruitment and selection of staff based upon the principles outlined in the policy, which also meet the requirements of the Affirmative Action ("AA") policy and other relevant employment legislation.

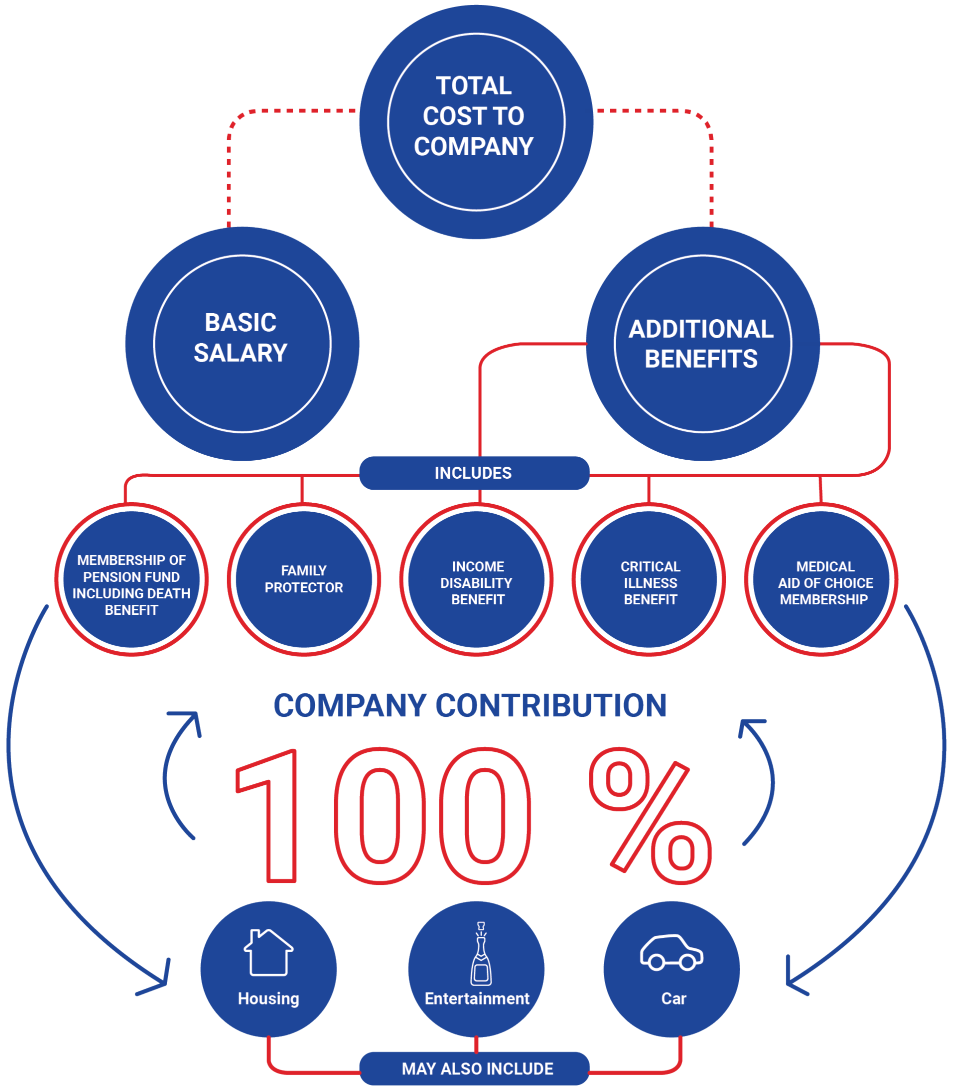
STRUCTURE

Our remuneration structure:

Employees	Incentive
Executive directors and executive management	• Total cost to company • Annually reviewed (*) after consideration of: ° the annual PWC South Africa report on executive directors' remuneration practices and trends; and ° norms of director's remuneration in Namibia
Management	• Total cost to company • Annually reviewed (*) after consideration of: ° Cost of living adjustments; and ° Performance
Non-management	• Total cost to company • Annually reviewed (*) after consideration of: ° Cost of living adjustments; and ° Performance
(*) annual reviews effective from 1 November each year	

Total cost to company is made up of basic salary and additional benefits.
Additional benefits include membership of a pension fund including death benefits, family protector, income disability benefit and critical illness benefit. Membership of a medical aid fund of choice. For these benefits the company contributes 100% of the premium relevant to all employees. Benefits may also include housing, car, entertainment or other allowances, depending on the job description and level of the employee.

REMUNERATION AND NOMINATION COMMITTEE (CONTINUED)



PERFORMANCE INCENTIVES

Paratus believes in adequately rewarding employees for their contribution to the overall success of the Company.

Profit share incentive

Executive management and management participate in the profit share incentive. The profit share incentive pool is derived from the portion of the after-tax profits exceeding the approved budget.

Employees	Incentive
Executive management	• 10% of the available bonus pool is to be allocated to the executive management only. • the maximum incentive amount for executive management is limited to 110% of total cost to company for one month.
Management	• A manager's performance appraisal should achieve at least a "meet expectation" rating, failing that the manager will be barred from earning a profit share incentive. • The maximum incentive amount for Management is limited to 100% of total cost to company for one month.

Performance bonus

All staff participate in the performance bonus and is payable when Paratus meets the approved budget. The performance bonus is equivalent to a 13th cheque and is payable in December. During the year the limit for the 13th cheque was increased from 75% to 85% of one month's salary, depending on the performance in terms of the budget.

STAFF INTERNET BENEFIT

Each employee's internet benefit is regulated as set out below:

Employees	No. of connections allowed	Internet offering LTE	Internet offering Fiber	Internet offering SKY-FI
EXCO	2 per EXCO member (1 must be LTE)	Any LTE may be chosen - Uncapped and at no charge Full details not disclosed	Choose between Infinity 60 and Massive - No charge Full details not disclosed	SKY-Fi15 - No charge Full details not disclosed
Managers	2 per manager	Any LTE package may be chosen - 50% charge Full details not disclosed	Choose between uncapped Mega Starter and Massive - No charge Full details not disclosed	Only SKY-Fi15 - No charge Full details not disclosed
HOD and Technical support	1 per employee	Any LTE package up to Ultimate may be chosen - No charge Full details not disclosed	Choose between Mega Starter and Easy - No charge Full details not disclosed	Only SKY-Fi10 - No charge Full details not disclosed
Rest of Paratus staff	1 per employee	Any LTE package may be chosen - 50% charge Full details not disclosed	Any Fiber package may be chosen - 50% charge Full details not disclosed	Any SKY-Fi package may be chosen - 50% charge Full details not disclosed

TRAINING

Paratus has subscribed to a well-known online training platform, Udemy, which provides a wide range of training opportunities to its members. Paratus strives to develop its employees by setting goal-orientated training in line with the career development goals of its employee utilising the vast training programs available through the platform.

PART 2: IMPLEMENTATION REPORT

INCREASES TO GUARANTEED PACKAGE DURING THE YEAR UNDER REVIEW

Special consideration was given to the fact that some families were negatively impacted by the COVID-19 pandemic and as a result experienced strained budgets.

Practice is that everyone to get an inflationary increase as well as a performance-based increase.

At the October 2020 REMCO meeting a baseline salary increase of 3% as well as a performance-based increase, capped at a maximum of 3%, as per the approved 2021 budget, were recommended to the Board and were approved at the subsequent Board meeting.

Assess performance of Exco members

REMCO evaluated the whole of the EXCO team individually and was impressed with the projects and tasks completed and concluded that the overall performance was more than satisfactorily, and increases was affected based on the Board's assessment of each individual.

Actual fees paid to executive directors for the 2021 financial year

The performance of the executive directors were also assessed at the August 2020 meeting and whereat it was concluded that their performance was excellent and increases were affected based on the Board's assessment of each individual.

The executive directors, being full-time employees of Paratus, are remunerated as such.

INCENTIVES FOR THE 2021 FINANCIAL YEAR

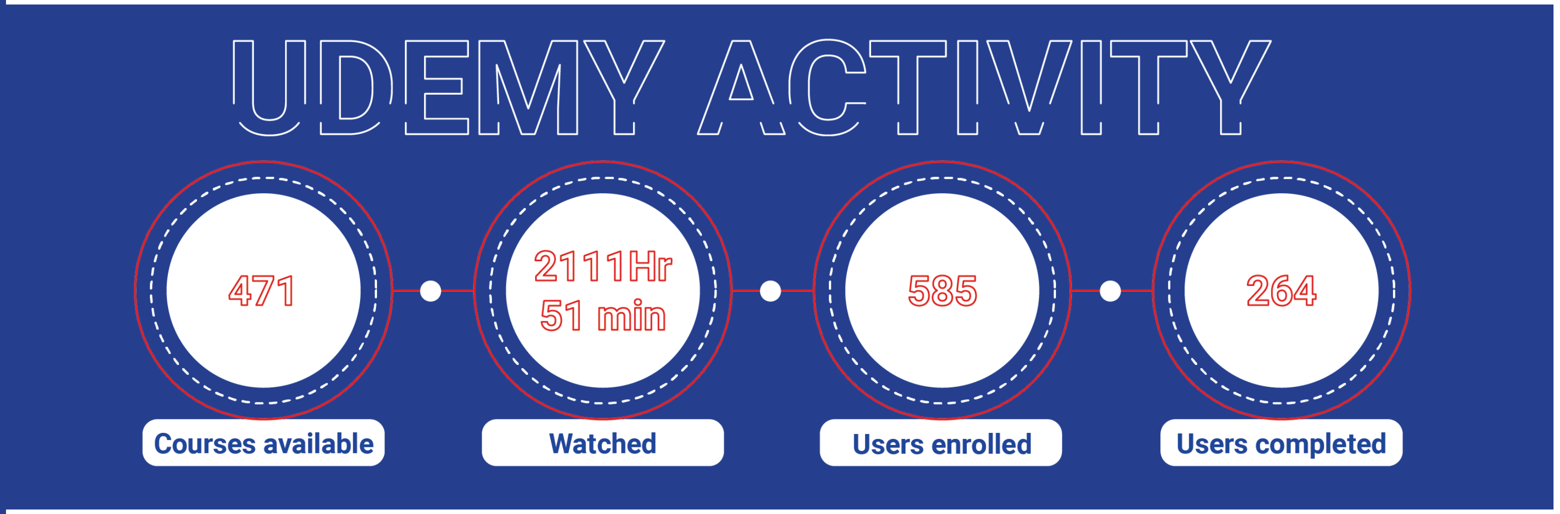
The actual incentives paid during the 2021 financial year are as follows:

	Incentive bonus	Performance bonus	Total bonuses paid
Executive Committee	1,247,789	965,202	2,212,991
Managers	-	735,513	735,513
Other staff	-	2,747,512	2,747,512
Total	**1,247,789**	**4,448,227**	**5,696,016**

REMUNERATION AND NOMINATION COMMITTEE (CONTINUED)

STAFF INTERNET BENEFIT
Internet services to the value of N$1.9 million was provided to staff during the year.

TRAINING
Udemy activity report for the year:



NON-EXECUTIVE DIRECTORS' FEES FOR THE 2021 FINANCIAL YEAR
Non-executive directors earn a retainer fee and a portion as a sitting fee for Board meetings attended. Furthermore, non-executive directors and members of sub-committees of the Board earn a retainer fee and a portion as a sitting fee for such meeting attended. The actual fees paid to non-executive directors during the 2021 financial year are as follows:

Director	Board Attendance fees N$	ARC Attendance fees N$	IC Attendance fees N$	REMCOM Attendance fees N$	AGM Attendance fees N$	TOTAL Attendance fees N$
Hans-Bruno Gerdes (Chairperson of the board)	143,004	29,256	-	21,624	35,750	229,634
Stuart Birch	116,604	-	12,720	-	-	129,324
Jaco Esterhuyse	116,604	29,256	15,900	-	-	161,760
Josephine Shikongo	116,604	29,256	-	21,624	-	167,484
Heinrich Jansen van Vuuren	-	36,570	12,720	-	-	49,290
Romé Mostert	116,604	-	12,720	27,030	-	156,354
Total	**609,420**	**124,338**	**54,060**	**70,278**	**35,750**	**893,846**

Proposed non-executive directors' fees for the 2022 financial year:

	Number of members	Fee per member N$	Meetings per year	Total cost N$	70% Monthly retainer N$	30% Sitting fee per meeting N$
Board						
Chairperson	1	37,098	4	148,392	8,656	11,130
Member	4	30,249	4	483,984	28,232	36,300
Total				**632,376**	**36,888**	**47,430**
ARC						
Chairperson	1	16,499	2	32,998	1,925	4,949
Member	3	13,200	2	79,200	4,620	11,880
Total				**112,198**	**6,545**	**16,829**
REMCOM						
Chairperson	1	16,499	2	32,998	1,925	4,949
Member	2	13,200	2	52,800	3,080	7,920
Total				**85,798**	**5,005**	**12,869**
TOTAL before IC				**830 372**	**48,438**	**77,128**

	Number of members	Fee per member N$	Meetings per year	Total cost N$		100% sitting fee per meeting N$
IC[1]						
Chairperson	1	16,499	Ad-hoc	16,499		16,499
Member	3	13,200	Ad-hoc	39,600		39,600
Total				**56,099**		**56,099**

[1] The Investment Committee meets on an ad-hoc basis when projects are evaluated. The proposal is that this fee remains on a sitting fee basis due to the uncertainty regarding number of meetings per annum.

A once-off fee of N$37,098 will be paid to the chairperson of the AGM.

A fee of N$3,113 per hour will be paid to attend unscheduled ad-hoc meetings (excluding Investment Committee meetings).

STATEMENT BY THE COMMITTEE
The Remuneration and Nomination Committee executed its duties, during the period, in line with its roles and responsibilities as outlined above under role and responsibilities.

REMUNERATION AND NOMINATION COMMITTEE


Romé Mostert (CP)


Hans-Bruno Gerdes


Josephine Shikongo

GROUP ANNUAL FINANCIAL STATEMENTS

DIRECTORS' RESPONSIBILITY

FOR AND APPROVAL OF THE CONSOLIDATED AND SEPARATE ANNUAL FINANCIAL STATEMENTS
for the year ended 30 June 2021

The directors are responsible for the preparation, content and integrity of the consolidated and separate annual financial statements that fairly present the state of affairs of the Company and the Group as at the end of the financial year and the results of its operations and cash flows for the year and related financial information included in this report.

In order for the Group and the Board of directors to discharge their responsibilities, management has developed, and continues to maintain, a system of internal controls. The Board has ultimate responsibility for the system of internal controls and periodically reviews its operations, primarily through the Risk, Audit and Compliance Committee.

The internal controls include a risk-based system of internal accounting and administrative controls designed to provide reasonable, but not absolute assurance that assets are safeguarded and that transactions are executed and recorded in accordance with generally accepted business practices and the Group's policies and procedures. These controls are implemented by trained, skilled personnel, with appropriate segregation of duties, are monitored by executive directors and the Risk, Audit and Compliance Committee and include a comprehensive budgeting and reporting system operating within an appropriate control framework. To the best of their knowledge and belief, based on the above, the directors are satisfied that no material breakdown in the operation of the system of internal controls and procedures has occurred during the year under review.

The consolidated and separate annual financial statements have been audited by the independent auditors, PricewaterhouseCoopers, who were given unrestricted access to all financial records and related data including minutes of all meetings of the Board of directors and committees of the Board. The directors believe that all representations made to the independent auditors during the audit are valid and appropriate. The audit report of PricewaterhouseCoopers is presented on page 80 to 82.

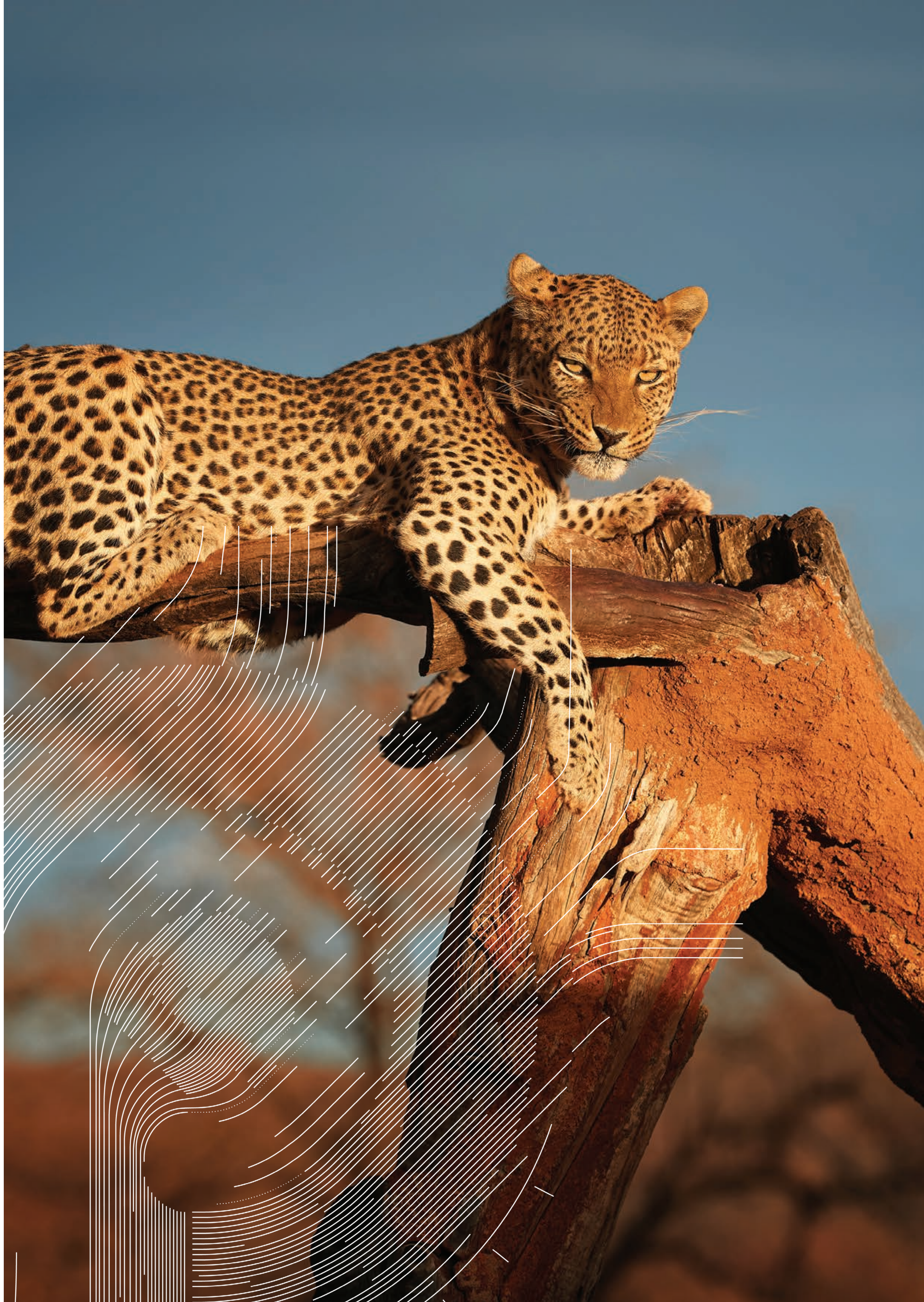
The consolidated and separate annual financial statements are prepared in accordance with the Companies Act of Namibia and International Financial Reporting Standards and incorporate disclosures in line with the accounting philosophy of the Group. They are based on appropriate accounting policies consistently applied, except where otherwise stated, and are supported by reasonable and prudent judgements and estimates.

The directors believe that the Company and the Group will be a going concern in the year ahead, as adequate funding facilities are in place and the operational and cash flow budget supports this statement. Accordingly, the going concern basis has been adopted in the preparation of the consolidated and separate annual financial statements.

The consolidated and separate annual financial statements for the year ended 30 June 2021 as set out on pages 84 to 144 were approved by the Board of directors on 06 December 2021 and are signed on their behalf by:

Hans-Bruno Gerdes
Chairman

Stefanus Isaias de Bruin
Group Chief Financial Officer



Independent auditor's report

To the Members of Paratus Namibia Holdings Limited

Our opinion

In our opinion, the consolidated and separate financial statements present fairly, in all material respects, the consolidated and separate financial position of Paratus Namibia Holdings Limited (the Company) and its subsidiaries (together the Group) as at 30 June 2021, and its consolidated and separate financial performance and its consolidated and separate cash flows for the year then ended in accordance with International Financial Reporting Standards and the requirements of the Companies Act of Namibia.

What we have audited

Paratus Namibia Holdings Limited's consolidated and separate financial statements set out on pages 84 to 144 comprise:

- the directors' report for the year ended 30 June 2021;
- the consolidated and separate statements of financial position as at 30 June 2021;
- the consolidated and separate statements of profit or loss and other comprehensive income for the year then ended;
- the consolidated and separate statements of changes in equity for the year then ended;
- the consolidated and separate statements of cash flows for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the consolidated and separate financial statements section of our report.

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

Independence

We are independent of the Group in accordance with the International Ethics Standards Board for Accountants International Code of Ethics for Professional Accountants (including International Independence Standard) (Code of Conduct) and other independence requirements applicable to performing audits of financial statements in Namibia. We have fulfilled our other ethical responsibilities in accordance with the Code of Conduct and in accordance with other ethical requirements applicable to performing audits in Namibia.

Our audit approach

Overview

Overall group materiality

- Overall group materiality: N$9,219,318, which represents 1% of consolidated total assets.

Group audit scope

- Our audit included full scope audits of the Company and its subsidiary, being Paratus Telecommunications (Pty) Ltd, based on their financial significance to the Group. Full scope audits were also performed on the financially significant subsidiaries of Paratus Telecommunications (Pty) Ltd, being Paratus Properties (Pty) Ltd and Paratus Property Two (Pty) Ltd. Analytical review procedures were performed on financially inconsequential components.

Key audit matter

- Impairment of intangible assets with indefinite useful live.

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the consolidated and separate financial statements. In particular, we considered where the directors made subjective judgements; for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits, we also addressed the risk of management override of internal controls, including among other matters, consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

Materiality

The scope of our audit was influenced by our application of materiality. An audit is designed to obtain reasonable assurance whether the financial statements are free from material misstatement. Misstatements may arise due to fraud or error. They are considered material if individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the consolidated financial statements.

Based on our professional judgement, we determined certain quantitative thresholds for materiality, including the overall group materiality for the consolidated financial statements as a whole as set out in the table below. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures and to evaluate the effect of misstatements, both individually and in aggregate on the financial statements as a whole.

Overall group materiality	***N$9,219,318***
How we determined it	*1% of consolidated total assets*
Rationale for the materiality benchmark applied	***We chose consolidated total assets as the benchmark because, in our view, it is the benchmark against which the performance of the Group is most commonly measured by users. The telecommunication industry requires intensive investment in technological infrastructure. As such, the Group is highly invested in property, plant and equipment to facilitate the provision of their services. This makes the total assets the most significant element of the consolidated financial statements and the key focus of the users of the consolidated financial statements. We chose 1% based on our professional judgement and after consideration of the range of quantitative materiality thresholds that we would typically apply when using total assets to compute materiality.***

How we tailored our group audit scope

We tailored the scope of our audit in order to perform sufficient work to enable us to provide an opinion on the consolidated financial statements as a whole, taking into account the structure of the Group, the accounting processes and controls, and the industry in which the Group operates.
The consolidated financial statements are a consolidation of the Company and its subsidiary, which also has five subsidiaries, each a "component" for purposes of our group audit scope. Our audit included full scope audits of the Company and its subsidiary, being Paratus Telecommunications (Pty) Ltd, based on their financial significance to the Group. Full scope audits were also performed on the financially significant subsidiaries of Paratus Telecommunications (Pty) Ltd, being Paratus Properties (Pty) Ltd and Paratus Property Two (Pty) Ltd. Analytical review procedures were performed on financially inconsequential components.
All testing was performed centrally by the group audit team. By performing the procedures outlined above, we obtained sufficient and appropriate audit evidence regarding the financial information of the Group to provide a basis for our opinion on the consolidated financial statements as a whole.

Key audit matter

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

Impairment of intangible assets with indefinite useful lives	*How our audit procedures addressed the key audit matter*
As a result of a business combination in the prior year, the Group's net assets include a significant amount of goodwill and intangible assets with indefinite useful lives at reporting date. Goodwill and intangible assets with indefinite useful lives are tested annually for impairment and whenever there is an impairment indicator identified by management. We considered the impairment assessment of goodwill and intangible assets with indefinite useful lives to be a matter of most significance to the current year audit due to the significant judgement and assumptions made by management in performing the impairment assessments and in estimating the discount rates, terminal growth rates and cash flow forecasts. Refer to the following notes to the consolidated financial statements for detail: Note 1.4 Significant judgement and sources of estimation uncertainty: Useful lives and valuation methodology of intangible assets Note 1.6 Accounting policies: Intangible assets Note 5 Intangible assets	We tested the mathematical accuracy of management's valuation model by recalculation and agreed the relevant data, including assumptions regarding timing of future capital and reportable expenditure, to the latest budgets. We did not note any exceptions. We also assessed the appropriateness of the valuation model (discounted cash flows model) applied by management, with reference to market practice and the requirements of international Accounting Standard (IAS) 36 Impairment of Assets. We noted no issues in this regard. We utilised our valuations expertise to independently source data such as the terminal growth rates, cost of debt, risk-free rates in the applicable market, market risk premiums, debt/equity ratios, sovereign risk premiums, as well as the beta of comparable companies. These estimates were used in calculating the discount rate. We independently calculated a discount rate for the cash generating unit using our independently sourced data. We applied these independently sourced data and calculated inputs to management's forecasts and compared management's recoverable amount of the cash-generating unit to the results of our calculations. No material differences were noted. We further performed sensitivity analyses to determine the minimum changes in terminal growth rates that would result in limited or no headroom being available. We noted that the recoverable amount was not sensitive to the growth rates, which would result in the recoverable amount being less than the carrying amount of the net assets.

Other information

The directors are responsible for the other information. The other information comprises the information included in the document titled “Paratus Namibia Holdings Limited Integrated Annual Report 2021”. The other information does not include the consolidated or the separate financial statements and our auditor’s report thereon.

Our opinion on the consolidated and separate financial statements does not cover the other information and we do not express an audit opinion or any form of assurance conclusion thereon.

In connection with our audit of the consolidated and separate financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the consolidated and separate financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the directors for the consolidated and separate financial statements

The directors are responsible for the preparation and fair presentation of the consolidated and separate financial statements in accordance with International Financial Reporting Standards and the requirements of the Companies Act of Namibia, and for such internal control as the directors determine is necessary to enable the preparation of consolidated and separate financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated and separate financial statements, the directors are responsible for assessing the Group and 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 Group and/or the Company or to cease operations, or have no realistic alternative but to do so.

Auditor’s responsibilities for the audit of the consolidated and separate financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated and separate financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor’s report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated and separate financial statements.
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 consolidated and separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group’s and 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 Group’s and 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 consolidated and separate financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor’s report. However, future events or conditions may cause the Group and / or Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate financial statements represent 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 group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the consolidated and separate financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor’s report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

PricewaterhouseCoopers

PricewaterhouseCoopers
Registered Accountants and Auditors
Chartered Accountants (Namibia)
Per: Louis van der Riet
Partner
Windhoek
Date: 06 December 2021

DIRECTORS' REPORT

The directors have pleasure in submitting their report, which forms part of the consolidated and separate annual financial statements for the year ended 30 June 2021.

NATURE OF BUSINESS

Paratus Namibia Holdings Limited was incorporated in Namibia and operates principally in Namibia with interests in the Information and Communications Technology ("ICT") industry. The activities of the Group and Company are undertaken through the Company and its principal subsidiaries.

PNH is listed on the Namibian Stock Exchange
Sector: Technology, Technology Hardware and Equipment, Telecommunications Equipment' sector
Share Code: PNH
ISIN: NA000A2DTQ42
Company registration number: 2017/0558

There have been no material changes to the nature of the Group and Company's business from the prior year.

REVIEW OF FINANCIAL RESULTS AND ACTIVITIES

The consolidated and separate annual financial statements have been prepared in accordance with International Financial Reporting Standards and the requirements of the Companies Act of Namibia. The accounting policies have been applied consistently compared to the prior year, except for the adoption of new or revised accounting standards as set out in the Group annual financial statements.

Full details of the financial position, results of operations and cash flows of the Group and Company are set out in these consolidated and separate annual financial statements.

SHARE CAPITAL

	2021	2020
Authorised	Numbers of shares	Numbers of shares
60,000,000 Ordinary shares of N$0.01 each	60,000,000	60,000,000
Issued	Numbers of shares	Numbers of shares
48,723,123 (30 June 2020: 47,385,623) Ordinary shares of N$0.01 each	48,723,123	47,385,623
Share capital and share premium	Numbers of shares	Numbers of shares
48,723,123 (30 June 2020: 47,385,623) Ordinary shares of N$0.01 each	487,231	473,856
Share premium (varied)	500,187,472	486,437,972
	500,674,703	**486,911,828**

Refer to note 13 of the consolidated and separate annual financial statements for the detail of the movement in authorised and issued share capital for the year under review.

On 1 January 2020 a share swap transaction was concluded, resulting in the issuance of 20,012,431 ordinary shares, bringing the total shares in issue to 48,723,123. In the prior year the crossholding of 1,337,500 shares held by the subsidiary in the holding company resulted in a decrease of the consolidated shares in issue to 47,385,623 shares.

Paratus Telecommunications (Proprietary) Limited sold the crossholding shares (1,337,500 shares) on 1 October 2020, which increased the consolidated shares in issue to 48,723,123.

DIVIDENDS

The Group and Company's dividend policy is to consider an interim and a final dividend in respect of each financial year. At its discretion, the Board may consider a special dividend, where appropriate. Depending on the perceived need to retain funds for expansion or operating purposes, the Board may pass on the payment of dividends.

A dividend policy was adopted that provides for a dividend pay-out a maximum of 50% of profits after taxation.

A final dividend for the 2020 financial year of 10 cents per ordinary share was declared on 22 September 2020 and paid on 13 November 2020.

An interim dividend for the 2021 financial year of 10 cents per ordinary share was declared on 18 March 2021 and paid on 14 May 2021. On 21 September 2021 the directors declared a final dividend of 10 cents per ordinary share for the 2021 financial year amounting to N$4,872,312.

The total dividends declared for the 2021 financial year amounts to N$9,744,624 (2020: N$4,872,312).

INTEREST IN ASSOCIATES AND SUBSIDIARIES

Details of material interest in subsidiaries are presented in the consolidated and separate annual financial statements in note 6.

In the prior period, on 3 July 2019 Paratus concluded a rights issue. In terms of the rights issue the aggregate amount raised by the Company amounted to N$50 million, which was contributed as share capital, by PNH and Paratus Group Holdings Limited pro rata to their respective shareholdings in Paratus on this date. The subscription price was N$1,053.03, consisting of a par value of N$5 and a premium of N$1,048.03 per ordinary share. PNH subscribed for 24,398 ordinary shares in the Company, for a consideration of N$25.7 million, which resulted in no change in the effective percentage interest in the Company.

On 1 January 2020 the fair value of the investment in associate was N$228,901,814 (51.4%) and the book value was N$227,978,793. The change in ownership resulted in a deemed profit on sale of disposal of associate amounting to N$923,021, included in other operating gains. During the current year income from equity accounted earnings amounted to N$Nil (2020: N$6,662,882).

On 1 January 2020 PNH acquired the remaining 46,168 ordinary shares in Paratus in accordance with a share swap transaction, bringing the total shareholding of Paratus Namibia Holdings in Paratus to 100% (29 February 2019: 51.38%). The swap consideration was settled through the issue of 20,012,431 new ordinary PNH shares allotted to Paratus Group Holdings Limited at a pre-determined and agreed upon price of N$10.50 each for a total consideration of N$210,130,525.50. Transaction costs incurred has been expensed as consulting fees and is recognised in operating expenses.

On 1 June 2021 the Group and Company acquired 52% interest in Bitstream Internet Solutions (Proprietary) Limited ("Bitstream"), for a consideration of N$2,080,000. Bitstream operates in the ICT industry.

DIRECTORATE

The directors at the date of this report are:

Director	Date appointed	Status
Hans-Bruno Gerdes	08 August 2017	Independent non-executive, Chairperson
Stuart Birch[1]	08 August 2017	Independent non-executive director
Romé Mostert	30 June 2017	Independent non-executive director
Josephine Shikongo	08 August 2017	Independent non-executive director
Jaco Esterhuyse[1]	26 May 2019	Non-executive director
Stefan de Bruin	08 August 2017	Group Chief Financial Officer, Executive director
Schalk Erasmus	08 August 2017	Group Chief Operations Officer, Executive director
Andrew Hall	25 September 2019	Managing Director: Namibia, Executive director
Bartholomeus Harmse	25 September 2019	Group Chief Executive Officer, Executive director
Rolf Mendelsohn[2]	25 September 2019	Group Chief Technology Officer, Executive director

[1] South African
[2] alternate director to Bartholomeus Harmse

DIRECTORS' REPORT (CONTINUED)

ATTENDANCE OF DIRECTORS AND SUB-COMMITTEE MEETINGS

Director	Board	ARC	REMCO	IC
Hans-Bruno Gerdes	4/4	3/3	1/1	
Stuart Birch	4/4			1/1
Jaco Esterhuyse	4/4	3/3		1/1
Josephine Shikongo	4/4	3/3	1/1	
Romé Mostert	4/4		1/1	1/1
Heinrich Jansen van Vuuren[1]		3/3		1/1
Stefan de Bruin (CFO)	3/4			
Schalk Erasmus (CEO)	4/4			
Andrew Hall	4/4			
Barney Harmse	4/4			
Rolf Mendelsohn	3/4			

[1] independent committee member

DIRECTORS' FEES

Director	Board Attendance fees N$	ARC Attendance fees N$	IC Attendance fees N$	REMCO Attendance fees N$	AGM Attendance fees N$	TOTAL Attendance fees N$
Hans-Bruno Gerdes (Chair-person of the Board)	143,004	29,256	-	21,624	35,750	**229,634**
Stuart Birch	116,604	-	12,720	-	-	**129,324**
Jaco Esterhuyse	116,604	29,256	15,900	-	-	**161,760**
Josephine Shikongo	116,604	29,256	-	21,624	-	**167,484**
Heinrich Jansen van Vuuren	-	36,570	12,720	-	-	**49,290**
Romé Mostert	116,604	-	12,720	27,030	-	**156,354**
Total	**609,420**	**124,338**	**54,060**	**70,278**	**35,750**	**893,846**

DIRECTORATE INTEREST IN SHARES

As at 30 June 2021, the directors of the Company and subsidiaries held direct and indirect beneficial interests in 33.97% (2020: 34.66%) of its issued ordinary shares, as set out below:

Director	Direct number of shares 2021	Direct number of shares 2020	Indirect number of shares 2021	Indirect number of shares 2020	Total number of shares 2021	Total number of shares 2020	% of shares in issue 2021	% of shares in issue 2020
Stuart Birch	-	-	12,500	12,500	12,500	12,500	0,03%	0.03%
Stefan de Bruin	340,000	250,000	-	-	340,000	250,000	0.70%	0.51%
Schalk Erasmus	2,610,557	2,717,557	3,488,682	3,272,118	6,099,239	5,989,675	12.52%	12.29%
Hans-Bruno Gerdes	48,000	48,000	-	-	48,000	48,000	0.10%	0.10%
Romé Mostert	1	1	100,000	100,000	100,001	100,001	0.21%	0.21%
Josephine Shikongo	2,500	2,500	-	-	2,500	2,500	0.01%	0.01%
Andrew Hall	352,689	304,845	-	-	352,689	304,845	0.72%	0.62%
Bartholomeus Harmse	1,054,139	2,207,945	2,428,123	2,276,866	3,482,262	4,484,811	7.15%	9.20%
Rolf Mendelsohn	52,500	19,500	6,051,522	5,675,143	6,104,022	5,694,643	12.53%	11.69%
					-			
Total shareholding	**4,460,386**	**5,550,348**	**12,080,827**	**11,336,627**	**16,541,213**	**16,886,975**	**33.97%**	**34.66%**
Total shares in issue					**48,723,123**	**48,723,123**		

The register of interests of directors and others in shares of the Company is available to the shareholders on request.

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

AUDITORS

PricewaterhouseCoopers ("PWC") will continue to be the auditor of the Company in terms of Namibia Companies Act 28 of 2004, section 278(1).

COMPANY SECRETARY

Cronjé Secretarial Services (Pty) Ltd
1 Charles Cathral Street
Windhoek,Namibia

P.O. Box 81588
Olympia
Windhoek
Namibia

REGISTERED OFFICE

106 Nickel Street, Prosperita
Windhoek, Namibia

P.O. Box 81588
Olympia
Windhoek, Namibia

GOING CONCERN

The directors believe that the Group and Company has adequate financial resources to continue in operation for the foreseeable future and accordingly the consolidated and separate annual financial statements have been prepared on a going concern basis. The directors have satisfied themselves that the Company is in a sound financial position and that it has access to sufficient borrowing facilities to meet its foreseeable cash requirements. The directors are not aware of any new material changes that may adversely impact the Company. The directors are also not aware of any material non-compliance with statutory or regulatory requirements or of any pending changes to legislation which may affect the Company.

SUBSEQUENT EVENTS

On 21 September 2021 the directors declared a final dividend of 10c per ordinary share amounting to N$4,872,312.

The Directors are not aware of any further material events or circumstances arising after the reporting date and up to date of this report, not otherwise dealt with in the consolidated and separate annual financial statements, which significantly affects the financial position of the Group and Company.

APPROVAL OF THE FINANCIAL STATEMENTS

The consolidated and separate annual financial statements set out on pages 84 to 144, which have been prepared on the going concern basis, were approved by the Board on 06 December 2021.

CONSOLIDATED AND SEPARATE STATEMENTS OF FINANCIAL POSITION

As at 30 June 2021

Figures in Namibia Dollar	Notes	Group		Company	
		2021	2020	2021	2020
Assets					
Non-Current Assets					
Property, plant and equipment	3	390,016,662	254,244,407	-	-
Right-of-use assets	4	2,013,764	1,771,687	-	-
Intangible assets	5	296,488,834	297,156,674	-	-
Investments in subsidiaries	6	-	-	427,644,393	427,644,393
Loans to related parties	7	-	220,231	236,500,000	-
		688,519,260	**553,392,999**	**664,144,393**	**427,644,393**
Current Assets					
Inventories	8	18,755,187	13,735,126	-	-
Loans to related parties	7	216,372	600,000	478,275	-
Trade and other receivables	9	40,022,452	29,922,149	-	-
Investments at fair value	10	159,856,281	115,096,827	27,811,598	75,185,754
Finance lease receivables	11	4,088	103,163	-	-
Current taxation receivable		3,509,125	1,972,681	-	-
Cash and cash equivalents	12	11,049,026	20,965,432	10,090,103	4,941,605
		233,412,531	**182,395,378**	**38,379,976**	**80,127,359**
Total Assets		**921,931,791**	**735,788,377**	**702,524,369**	**507,771,752**
Equity and Liabilities					
Equity					
Share capital	13	487,231	473,856	487,231	487,231
Share premium	13	500,187,472	486,437,972	500,187,472	500,187,472
Revaluation reserve		1,985,600	1,985,600	-	-
Retained income		47,575,481	28,382,990	540,223	2,222,789
		550,235,784	**517,280,418**	**501,214,926**	**502,897,492**
Non-controlling interest		222,192	-	-	-
		550,457,976	**517,280,418**	**501,214,926**	**502,897,492**
Liabilities					
Non-Current Liabilities					
Loans from related parties	7	266,004	-	-	-
Borrowings	14	200,000,000	64,889,735	200,000,000	-
Lease liabilities	4	1,392,845	1,364,059	-	-
Contract Liabilities	15	88,444,920	79,480,705	-	-
Deferred taxation	16	23,697,735	10,425,730	-	-
		313,801,504	**156,160,229**	**200,000,000**	**-**
Current Liabilities					
Trade and other payables	17	33,878,028	27,043,162	678,458	1,948
Borrowings	14	478,275	14,994,478	478,275	-
Lease liabilities	4	1,104,298	1,048,768	-	-
Contract Liabilities	15	9,216,668	8,831,084	-	-
Provisions	18	8,860,735	5,648,675	114,409	-
Dividend Payable	19	38,301	4,738,562	38,301	4,872,312
Bank overdraft	12	4,096,006	43,001	-	-
		57,672,311	**62,347,730**	**1,309,443**	**4,874,260**
Total Liabilities		**371,473,815**	**218,507,959**	**201,309,443**	**4,874,260**
Total Equity and Liabilities		**921,931,791**	**735,788,377**	**702,524,369**	**507,771,752**

CONSOLIDATED AND SEPARATE STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 30 June 2021

Figures in Namibia Dollar	Notes	Group		Company	
		12 months ended 30 June 2021	16 months ended 30 June 2020	12 months ended 30 June 2021	16 months ended 30 June 2020
Revenue	20	340,560,820	173,390,963	9,416,544	7,693,822
Cost of sales	21	(160,196,955)	(78,090,616)	-	-
Gross profit		**180,363,865**	**95,300,347**	**9,416,544**	**7,693,822**
Other operating income	22	463,852	282,664	-	-
Other operating gains	23	(39,013)	3,558,614	-	923,021
Operating expenses	24	(132,432,069)	(70,703,021)	(1,354,485)	(4,492,441)
Operating profit	24	**48,356,635**	**28,438,604**	**8,062,059**	**4,124,402**
Investment income	25	56,539	90,784	478,275	-
Finance costs	26	(6,164,938)	(4,024,915)	(478,275)	(1)
Income from equity accounted investments	6	-	6,662,882	-	-
Profit before taxation		**42,248,236**	**31,167,355**	**8,062,059**	**4,124,401**
Taxation	27	(13,272,005)	(5,741,566)	-	-
Profit after taxation		**28,976,231**	**25,425,789**	**8,062,059**	**4,124,401**
Other comprehensive income:					
Items that will not be reclassified to profit or loss:					
Gains on property revaluation		-	2,920,000	-	-
Income taxation relating to items that will not be reclassified	27	-	(934,400)	-	-
Total comprehensive income		**28,976,231**	**27,411,389**	**8,062,059**	**4,124,401**
Total comprehensive income attributable to:					
Equity holders of the parent entity		28,937,115	27,411,389	8,062,059	4,124,401
Non-controlling interests		39,116	-	-	-
		28,976,231	**27,411,389**	**8,062,059**	**4,124,401**
Earnings per share attributable to the ordinary equity holders of the group:					
Basic and diluted earnings per share (cents)	28	59.80	71.27		
Headline earnings per share (cents)	28	57.86	67.29		
Dividends per share (cents)	28	20.00	10.00		
Adjusted earnings before interest, taxation, depreciation and amortisation (EBITDA)		**94,441,622**	**55,148,094**	**8,062,059**	**4,936,401**

PARATUS NAMIBIA HOLDINGS LIMITED INTEGRATED ANNUAL REPORT 2021

CONSOLIDATED AND SEPARATE STATEMENTS OF STATEMENTS OF
CHANGES IN EQUITY

For the year ended 30 June 2021

Group	Share capital N$	Share premium N$	Total share capital N$	Revaluation reserve N$	Retained income N$	Non-controlling interests N$	Total equity N$
Balance at 01 March 2019	**287,107**	**292,121,115**	**292,408,222**	**-**	**7,695,764**	**-**	**300,103,986**
Profit for the period	-	-	-	-	25,425,789	-	25,425,789
Other comprehensive income	-	-	-	1,985,600	-	-	1,985,600
Total comprehensive income for the period	**-**	**-**	**-**	**1,985,600**	**25,425,789**	**-**	**27,411,389**
Issue of shares	186,749	194,316,857	194,503,606	-	-	-	194,503,606
Dividends declared	-	-	-	-	(4,738,562)	-	(4,738,562)
Total contributions by and distributions to owners of company recognised directly in equity	**186,749**	**194,316,857**	**194,503,606**	**-**	**(4,738,562)**	**-**	**189,765,044**
Balance as at 01 July 2020	**473,856**	**486,437,972**	**486,911,828**	**1,985,600**	**28,382,991**	**-**	**517,280,419**
Profit for the year	-	-	-	-	28,937,115	39,116	28,976,231
Other comprehensive income	-	-	-	-	-	-	-
Total comprehensive income for the year	**-**	**-**	**-**	**-**	**28,937,115**	**39,116**	**28,976,231**
Cross-holding shares sold	13,375	13,749,500	13,762,875	-	-	-	13,762,875
Acquisition of subsidiary	-	-	-	-	-	183,076	183,076
Dividends declared	-	-	-	-	(9,744,625)	-	(9,744,625)
Total contributions by and distributions to owners of company recognised directly in equity	**13,375**	**13,749,500**	**13,762,875**	**-**	**(9,744,625)**	**183,076**	**4,201,326**
Balance as at 30 June 2021	**487,231**	**500,187,472**	**500,674,703**	**1,985,600**	**47,575,481**	**222,192**	**550,457,976**
Notes	13	13	13				

Company	Share capital N$	Share premium N$	Total share capital N$	Revaluation reserve N$	Retained income N$	Total equity N$
Balance at 01 March 2019	**287,107**	**292,121,115**	**292,408,222**	**-**	**2,970,700**	**295,378,922**
- Profit for the year	-	-	-	-	4,124,401	4,124,401
- Other comprehensive income	-	-	-	-	-	-
Total comprehensive income for the period	**-**	**-**	**-**	**-**	**4,124,401**	**4,124,401**
Issue of shares	200,124	208,066,357	208,266,481	-	-	208,266,481
Dividends declared	-	-	-	-	(4,872,312)	(4,872,312)
Total contributions by and distributions to owners of company recognised directly in equity	**200,124**	**208,066,357**	**208,266,481**	**-**	**4,872,312)**	**203,394,169**
Balance as at 01 July 2020	**487,231**	**500,187,472**	**500,674,703**	**-**	**2,222,789**	**502,897,492**
- Profit for the year	-	-	-	-	8,062,059	8,062,059
- Other comprehensive income	-	-	-	-	-	-
Total comprehensive income for the year	**-**	**-**	**-**	**-**	**8,062,059**	**8,062,059**
Dividends declared	-	-	-	-	(9,744,625)	(9,744,625)
Total contributions by and distributions to owners of company recognised directly in equity	**-**	**-**	**-**	**-**	**(9,744,625)**	**(9,744,625)**
Balance as at 30 June 2021	**487,231**	**500,187,472**	**500,674,703**	**-**	**540,223**	**501,214,926**
Notes	13	13	13			

CONSOLIDATED AND SEPARATE STATEMENTS OF STATEMENTS OF
CASH FLOWS

For the year ended 30 June 2021

Figures in Namibia Dollar	Notes	Group: 12 months ended 30 June 2021	Group: 16 months ended 30 June 2020	Company: 12 months ended 30 June 2021	Company: 16 months ended 30 June 2020
Cash flows from operating activities					
Cash generated from operations	29	95,186,318	60,696,473	(563,568)	(4,563,439)
Interest paid		(5,536,000)	(3,850,172)	-	(1)
Interest received		56,539	90,784	-	-
Tax paid	30	(1,536,444)	(153,635)	-	-
Net cash from (used in) operating activities		**88,170,413**	**56,783,450**	**(563,568)**	**(4,563,440)**
Cash flows from investing activities					
Acquisition of property, plant and equipment	3	(174,023,381)	(35,825,943)	-	-
Proceeds on disposal of property, plant and equipment		148,349	30,348	-	-
Acquisition of intangible assets	5	(4,086,289)	(187,506)	-	-
Cross-holding shares sold		14,645,625	-	-	-
Finance lease receipts		99,075	95,285	-	-
Acquisition of subsidiary	31	(2,080,000)	-	-	-
Movement in investments	31	-	(417,620)	-	(26,109,445)
Deposits into money market funds and similar securities	10	(261,734,924)	-	(47,161,000)	-
Withdrawals from money market funds and similar securities	10	221,026,087	11,600,386	97,451,701	37,292,210
Cash acquired form subsidiary acquisition	6	196	(1,911,450)	-	-
Net cash (used in) / from investing activities		**(206,005,262)**	**(26,616,500)**	**50,290,701**	**11,182,765**
Cash flows from financing activities					
Issue costs directly attributable to share issue		-	(1,864,045)	-	(1,864,045)
Proceeds from related party loans repayment		603,859	461,164	-	-
Related party loan advanced to the group	7	266,004	-	-	-
Repayment of borrowings	14	(79,884,213)	(6,635,541)	-	-
Proceeds from borrowings	14	200,000,000	-	200,000,000	-
Loan advanced to subsidiary		-	-	(230,000,000)	-
Payment on lease liabilities	4	(1,188,707)	(817,825)	-	-
Dividends paid	19	(14,444,885)	-	(14,578,635)	-
Net cash (used in)/from financing activities		**105,352,058**	**(8,856,247)**	**(44,578,635)**	**(1,864,045)**
(Decrease) / increase in cash equivalents		(12,482,791)	21,310,703	5,148,498	4,755,280
Cash equivalents at beginning of period		20,922,431	186,325	4,941,605	186,325
Effect of exchange rates on cash and cash equivalents		(1,486,620)	(574,597)	-	-
Cash equivalents at end of period	**12**	**6,953,020**	**20,922,431**	**10,090,103**	**4,941,605**

PARATUS NAMIBIA HOLDINGS LIMITED INTEGRATED ANNUAL REPORT 2021

ACCOUNTING POLICIES TO THE CONSOLIDATED AND SEPARATE ANNUAL FINANCIAL STATEMENTS

CORPORATE INFORMATION

Paratus Namibia Holdings Limited, was incorporated in Namibia and is an investment holding company. Paratus Telecommunications (Proprietary) Limited, a wholly owned subsidiary of Paratus Namibia Holdings Limited, was incorporated in Namibia and operates in the ICT industry.

Paratus Namibia Holdings Limited is listed on the NSX.
Sector: Technology,Technology Hardware and Equipment, Telecommunications Equipment
Share code: PNH
ISIN: NA000A2DTQ42
Company registration number: 2017/0558

There have been no material changes to the nature of the Group and Company's business from the prior year.

1. SIGNIFICANT ACCOUNTING POLICIES

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

1.1 Basis of preparation

The consolidated and separate annual financial statements have been prepared on the going concern basis in accordance with, and in compliance with, IFRS and interpretations issued by the International Accounting Standards Board ("IASB") and IFRS Interpretations Committee ("IFRS IC"), effective at the time of preparing these consolidated and separate annual financial statements and in the manner acquired by the Companies Act of Namibia and the Namibian Stock Exchange.

The consolidated and separate annual financial statements have been prepared on the historical cost convention, unless otherwise stated in the accounting policies which follow and incorporate the principal accounting policies set out below. They are presented in Namibia Dollars, which is the functional and presentation currency of the Group and Company.

The preparation of the annual financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires the directors to exercise judgement in the process of applying the Group and Company's accounting policies. The area's involving a higher degree of judgement or complexity, or where assumptions and estimates are significant to the consolidated and separate financial statements, are disclosed in note 1.4.

Under IAS1, comparative information must be provided for all amounts reported in the consolidated and separate financial statements, except when a standard provides otherwise. IAS 1 further states that comparative information should also be provided for narrative and descriptive information when it is relevant to an understanding of the current period's consolidated and separate financial statements. Where necessary, comparative figures have been adjusted to conform to change in presentation in the current year.

These accounting policies are consistent with the previous period.

1.2 Segmental reporting

The Group considers its ICT segment as its only operating segment. This is in a matter consistent with the internal reporting provided to the chief operating decision-maker, identified as the Executive Committee of the Group. The chief operating decision-maker allocates resources to and assesses performance of the operating segment of the Group.

1.3 Consolidation

Basis of consolidation

The consolidated and separate annual financial statements incorporate the annual financial statements of the Company and all subsidiaries. Subsidiaries are entities (including structured entities) which are controlled by the Group.

The Group has control of an entity when it is exposed to or has rights to variable returns from involvement with the entity and it has the ability to affect those returns through use of its power over the entity.

The results of subsidiaries are included in the consolidated and separate annual financial statements from the effective date of acquisition to the effective date of disposal.

Adjustments are made when necessary to the annual financial statements of subsidiaries to bring their accounting policies in line with those of the Group.

All inter-company transactions, balances, and unrealised gains on transactions between group companies are eliminated in full on consolidation. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

Non-controlling interests in the net assets of consolidated subsidiaries are identified and recognised separately from the Group's interest therein and are recognised within equity at the non-controlling interest's proportionate share of the acquiree's net assets. Losses of subsidiaries attributable to non-controlling interests are allocated to the non-controlling interest even if this results in a debit balance being recognised for non-controlling interest. Transactions with non-controlling interests that do not result in loss of control are accounted for as equity transactions and are recognised directly in the Consolidated and Separate Statements of Changes in Equity. The difference between the fair value of consideration paid or received and the movement in non-controlling interest for such transactions is recognised in equity attributable to the owners of the Group.

Where a subsidiary is disposed of and a non-controlling shareholding is retained, the remaining investment is measured to fair value with the adjustment to fair value recognised in profit or loss as part of the gain or loss on disposal of the controlling interest. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss.

Investments in subsidiaries and associates in the separate financial statements

In the Company's separate financial statements, investments in subsidiaries are carried at cost less any accumulated impairment losses. Cost is adjusted to reflect changes in consideration arising from contingent consideration amendments.

Business combinations

The Group applies the acquisition method of accounting to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair value of the assets transferred, the liabilities incurred, and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. Costs directly attributable to the business combination are expensed as incurred, except the costs to issue debt which are amortised as part of the effective interest and costs to issue equity which are included in equity.

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date; any gains or losses arising from such remeasurement are recognised in profit or loss.

Any contingent consideration to be transferred by the Group is recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration that is deemed to be an asset or liability is recognised in accordance with IAS 39, either in profit or loss or as a change to other comprehensive income. Contingent consideration that is classified as equity is not remeasured and its subsequent settlement is accounted for within equity.

The acquiree's identifiable assets, liabilities and contingent liabilities which meet the recognition conditions of IFRS 3 Business combinations are recognised at their fair values at acquisition date. Contingent liabilities are only included in the identifiable assets and liabilities of the acquiree where there is a present obligation at acquisition date. On acquisition, the acquiree's assets and liabilities are reassessed in terms of classification and are reclassified where the classification is inappropriate for Group purposes.

Non-controlling interests in the acquiree are measured on an acquisition-by-acquisition basis either at fair value or at the non- controlling interests' proportionate share in the recognised amounts of the acquiree's identifiable net assets. This treatment applies to non-controlling interests which are present ownership interests and entitle their holders to a proportionate share of the entity's net assets in the event of liquidation. All other components of non-controlling interests are measured at their acquisition date fair values, unless another measurement basis is required by IFRS's

The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition date fair value of any previous equity interest in the acquiree over the fair value of the identifiable net assets acquired is recorded as goodwill. If the total of consideration transferred, non-controlling interest recognised and previously held interest measured is less than the fair value of the net assets of the subsidiary acquired in the case of a bargain purchase, the difference is recognised directly in profit or loss. Goodwill is not amortised but is tested on an annual basis for impairment. If goodwill is assessed to be impaired, that impairment is not subsequently reversed.

1.4 Significant judgements and sources of estimation uncertainty

The preparation of consolidated and separate annual financial statements in conformity with IFRS requires management, from time to time, to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. These estimates and associated assumptions are based on experience and various other factors that are believed to be reasonable under the circumstances. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

Key sources of estimation uncertainty:

Determining the lease term

In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option or not exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated). The assessment is reviewed if a significant event or a significant change in circumstances occurs, which affects this assessment and that is within the control of the lessee.

Impairment of financial assets

The impairment provisions for financial assets are based on assumptions about risk of default and expected loss rates. The Group uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the Group's past history, existing market conditions as well as forward looking estimates at the end of each reporting period. For details of the key assumptions and inputs used, refer to the individual notes addressing financial assets.

Fair value estimation

Several assets and liabilities of the Group are either measured at fair value or disclosure is made of their fair values. Observable market data is used as inputs to the extent that it is available. Qualified external valuers are consulted and used for the determination and calculation of appropriate valuation techniques and inputs.

Useful lives and residual values of property, plant and equipment

Management assesses the appropriateness of the useful lives and residual values of property, plant and equipment at the end of each reporting period. The useful lives of motor vehicles, furniture and computer equipment are determined based on Company replacement policies for the various assets. Individual assets within these classes, which have a significant carrying amount are assessed separately to consider whether replacement will be necessary outside of normal replacement parameters.

When the estimated useful life of an asset differs from previous estimates, the change is applied prospectively in the determination of the depreciation charge.

Useful lives and valuation methodology of intangible assets

Management assesses the appropriateness of the useful lives of intangible assets at the end of each reporting period.
The Multi-Period Excess Earnings Method "MEEM" approach was used as the primary valuation methodology of Intangible assets acquired as a result of the business combination. The Paratus Brand was valued using the relief from royalty "RTR" approach. The cost approach was used to value the Paratus Namibia's free right of use (fiber capacity – Botswana).

1.5 Property, plant and equipment

Property, plant and equipment are tangible assets which the Group holds for its own use or for rental to others and which are expected to be used for more than one year.

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 Group, and the cost of the item can be measured reliably.

Property, plant and equipment is initially measured at cost. Cost includes all of the expenditure which is directly attributable to the acquisition or construction of the asset, including the capitalisation of borrowing costs on qualifying assets and adjustments in respect of hedge accounting, where appropriate.

Expenditure incurred subsequently for major services, additions to or replacements of parts of property, plant and equipment are capitalised if it is probable that future economic benefits associated with the expenditure will flow to the Group and the cost can be measured reliably. Day to day servicing costs are included in profit or loss in the period in which they are incurred.

Subsequent to initial recognition, property is measured at fair value and plant and equipment is measured at cost less accumulated depreciation and any accumulated impairment losses.

Depreciation of an asset commences when the asset is available for use as intended by management. Depreciation is charged to write off the asset's carrying amount over its estimated useful life to its estimated residual value, using a method that best reflects the pattern in which the asset's economic benefits are consumed by the Group. Leased assets are depreciated in a consistent manner over the shorter of their expected useful lives and the lease term. Depreciation is not charged to an asset if its estimated residual value exceeds or is equal to its carrying amount. Depreciation of an asset ceases at the earlier of the date that the asset is classified as held for sale or derecognised.

ACCOUNTING POLICIES (CONTINUED)

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

Item	Depreciation method	Average useful life
Land	Not applicable	Indefinite
Buildings	Straight line	20 years
Fibre (passive equipment)	Straight line	20 years
Fibre (active equipment)	Straight line	5 years
Infrastructure	Straight line	20 years
Core network assets	Straight line	5 years
Equipment	Straight line	3 to 5 years
Furniture and fittings	Straight line	5 years
Motor vehicles	Straight line	4 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 prospectively as a change in accounting estimate.

Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item is depreciated separately.

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

Impairment tests are performed on property, plant and equipment when there is an indicator that they may be impaired. When the carrying amount of an item of property, plant and equipment is assessed to be higher than the estimated recoverable amount, an impairment loss is recognised immediately in profit or loss to bring the carrying amount in line with the recoverable amount.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its continued use or disposal. Any gain or loss arising from the derecognition of an item of property, plant and equipment, determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item, is included in profit or loss when the item is derecognised.

1.6 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 cost less any accumulated amortisation and any impairment losses.
An intangible asset is regarded as having an indefinite useful life when, based on all relevant factors, there is no foreseeable limit to the period over which the asset is expected to generate net cash inflows. Amortisation is not provided for these intangible assets, but they are tested for impairment annually and whenever there is an indication that the asset may be impaired. For all other intangible assets amortisation is provided on a straight-line basis over their useful life.

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	Amortisation method	Average useful life
Paratus brand	Straight line	6 years
Telecommunications License / Network Spectrum	Not applicable	Indefinite
Free right of use (Fiber capacity - Botswana)	Straight line	18.17 years
Computer software	Straight line	3 years
Goodwill (not amortised but is tested for impairment annually)	Not applicable	Indefinite
Customer base	Straight line	12 years
Customer relationship – Botswana Fiber Network	Straight line	20 years

1.7 Financial instruments

Financial instruments held by the Group and Company are classified in accordance with the provisions of IFRS 9 Financial Instruments. Broadly, the classification possibilities, which are adopted by the Group and Company, as applicable, are as follows:

Financial assets which are equity instruments:
- Mandatorily at fair value through profit or loss; or
- Designated as at fair value through other comprehensive income. (This designation is not available to equity instruments which are held for trading or which are contingent consideration in a business combination).

Financial assets which are debt instruments:
- Amortised cost. (This category applies only when the contractual terms of the instrument give rise, on specified dates, to cash flows that are solely payments of principal and interest on principal, and where the instrument is held under a business model whose objective is met by holding the instrument to collect contractual cash flows); or
- Mandatorily at fair value through profit or loss. (This classification automatically applies to all debt instruments which do not qualify as at amortised cost or at fair value through other comprehensive income); or
- Designated at fair value through profit or loss. (This classification option can only be applied when it eliminates or significantly reduces an accounting mismatch).

Financial liabilities:
- Amortised cost; or
- Mandatorily at fair value through profit or loss. (This applies to contingent consideration in a business combination or to liabilities which are held for trading); or
- Designated at fair value through profit or loss. (This classification option can be applied when it eliminates or significantly reduces an accounting mismatch; the liability forms part of a group of financial instruments managed on a fair value basis; or it forms part of a contract containing an embedded derivative and the entire contract is designated as at fair value through profit or loss).

Note 36 Financial instruments and risk management present the financial instruments held by the Group and Company based on their specific classifications.

All regular purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

The specific accounting policies for the classification, recognition and measurement of each type of financial instrument held by the Group and Company are presented on the next page:

Loans receivable at amortised cost
Classification
Loans to / (from) group companies (note 7) are classified as financial assets subsequently measured at amortised cost.

They have been classified in this manner because the contractual terms of these loans give rise, on specified dates to cash flows that are solely payments of principal and interest on the principal outstanding, and the Group's business model is to collect the contractual cash flows on these loans.

Recognition and measurement
Loans receivable are recognised when the Group and Company becomes a party to the contractual provisions of the loan. The loans are measured, at initial recognition, at fair value plus transaction costs, if any.

They are subsequently measured at amortised cost.

The amortised cost is the amount recognised on the loan initially, minus principal repayments, plus cumulative amortisation (interest).

The Group and Company recognise a loss allowance for expected credit losses on all loans receivable measured at amortised cost. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective loans.

The Group and Company measure the loss allowance at an amount equal to lifetime expected credit losses (lifetime ECL) when there has been a significant increase in credit risk since initial recognition. If the credit risk on a loan has not increased significantly since initial recognition, then the loss allowance for that loan is measured at 12 month expected credit losses (12 month ECL).

Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a loan. In contrast, 12 month ECL represents the portion of lifetime ECL that is expected to result from default events on a loan that are possible within 12 months after the reporting date.

In order to assess whether to apply lifetime ECL or 12-month ECL, in other words, whether or not there has been a significant increase in credit risk since initial recognition, the Group and Company considers whether there has been a significant increase in the risk of a default occurring since initial recognition rather than at evidence of a loan being credit impaired at the reporting date or of an actual default occurring.

Goodwill acquired is tested for impairment by analysing the profitability of the cash generating units. These units are profitable, therefore they are considered not to be impaired.

Write-off policy
The Group and Company write off a loan when there is information indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery, e.g., when the counterparty has been placed under liquidation or has entered into bankruptcy proceedings. Loans written off may still be subject to enforcement activities under the Group and Company recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognised in profit or loss.

Measurement and recognition of expected credit losses
The measurement of expected credit losses is a function of the probability of default, loss given default (i.e., the magnitude of the loss if there is a default) and the exposure at default.

The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information as described above. The exposure at default is the gross carrying amount of the loan at the reporting date.

Recognition and measurement
If the Group and Company have measured the loss allowance for a financial instrument at an amount equal to lifetime ECL in the previous reporting period, but determines at the current reporting date that the conditions for lifetime ECL are no longer met, the Group and Company measures the loss allowance at an amount equal to 12-month ECL at the current reporting date, and vice versa.

An impairment gain or loss is recognised for all loans in profit or loss with a corresponding adjustment to their carrying amount through a loss allowance account. The impairment loss is included in operating expenses in profit or loss as a movement in credit loss allowance (note 7).

Trade and other receivables
Classification
Trade and other receivables, excluding, when applicable, VAT and prepayments, are classified as financial assets subsequently measured at amortised cost (note 9).

They have been classified in this manner because their contractual terms give rise, on specified dates to cash flows that are solely payments of principal and interest on the principal outstanding, and the Group and Company's business model is to collect the contractual cash flows on trade and other receivables.

Trade and other receivables are recognised when the Group and Company becomes a party to the contractual provisions of the receivables. They are measured, at initial recognition, at fair value plus transaction costs, if any.

They are subsequently measured at amortised cost.

The amortised cost is the amount recognised on the receivable initially, minus principal repayments, plus cumulative amortisation (interest), adjusted for any loss allowance.

Trade and other receivables denominated in foreign currencies
When trade and other receivables are denominated in a foreign currency, the carrying amount of the receivables are determined in the foreign currency. The carrying amount is then translated to the Namibia Dollar equivalent using the spot rate at the end of each reporting period. Any resulting foreign exchange gains or losses are recognised in profit or loss in other operating gains (losses) (note 9).

Details of foreign currency risk exposure and the management thereof are provided in the financial instruments and risk management (note 36).

Impairment
The Group and Company recognise a loss allowance for expected credit losses on trade and other receivables, excluding VAT and prepayments. The amount of expected credit losses is updated at each reporting date.

Measurement and recognition of expected credit losses
The Group and Company make use of a provision matrix as a practical expedient to the determination of expected credit losses on trade and other receivables. The provision matrix is based on historic credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current and forecast direction of conditions at the reporting date, including the time value of money, where appropriate.

The customer base is widespread and does not show significantly different loss patterns for different customer segments. The loss allowance is calculated on a collective basis for all trade and other receivables in totality. Details of the provision matrix is presented in note 9.

An impairment gain or loss is recognised in profit or loss with a corresponding adjustment to the carrying amount of trade and other receivables, through use of a loss allowance account. The impairment loss is included in operating expenses in profit or loss as a movement in credit loss allowance (note 9).

Write-off policy
The Group writes off a receivable when there is information indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery, e.g., when the counterparty has been placed under liquidation or has entered into bankruptcy proceedings. Receivables written off may still be subject to enforcement activities under the Group and Company recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognised in profit or loss.

PARATUS NAMIBIA HOLDINGS LIMITED INTEGRATED ANNUAL REPORT 2021

ACCOUNTING POLICIES (CONTINUED)

1.7 Financial instruments (continued)

Borrowings and loans from related parties
Classification
Loans from Group and Companies (note 7), and borrowings (note 14) are classified as financial liabilities subsequently measured at amortised cost.

Recognition and measurement
Borrowings and loans from related parties are recognised when the Group and Company becomes a party to the contractual provisions of the loan. The loans are measured, at initial recognition, at fair value plus transaction costs, if any.

They are subsequently measured at amortised cost using the effective interest method.

Borrowings expose the Group and Company to liquidity risk and interest rate risk. Refer to note 36 for details of risk exposure and management thereof.

Trade and other payables
Classification
Trade and other payables (note 17), excluding VAT and amounts received in advance, are classified as financial liabilities subsequently measured at amortised cost.

Recognition and measurement
They are recognised when the Group and Company becomes a party to the contractual provisions, and are measured, at initial recognition, at fair value plus transaction costs, if any.

They are subsequently measured at amortised cost.

Trade and other payables expose the Group and Company to liquidity risk and possibly to interest rate risk. Refer to note 36 for details of risk exposure and management thereof.

Trade and other payables denominated in foreign currencies
When trade payables are denominated in a foreign currency, the carrying amount of the payables are determined in the foreign currency. The carrying amount is then translated to the Namibia Dollar equivalent using the spot rate at the end of each reporting period. Any resulting foreign exchange gains or losses are recognised in profit or loss in the other operating gains (losses) (note 17).

Details of foreign currency risk exposure and the management thereof are provided in the trade and other payables note (note 36).

Cash and cash equivalents
Cash and cash equivalents are stated at carrying amount which is deemed to be fair value. Refer to note 12 for details of risk exposure and management thereof.

Bank overdrafts
Bank overdrafts are initially measured at fair value, and are subsequently measured at amortised cost.

1.8 Tax

Current tax assets and liabilities
Current tax for current and prior periods is, to the extent unpaid, recognised as a liability. If the amount already paid in respect of current and prior periods exceeds the amount due for those periods, the excess is recognised as an asset.

Current tax liabilities (assets) for the current and prior periods are measured at the amount expected to be paid to (recovered from) the tax authorities, using the tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax assets and liabilities
A deferred tax liability is recognised for all taxable temporary differences, except to the extent that the deferred tax liability arises from the initial recognition of an asset or liability in a transaction which at the time of the transaction, affects neither accounting profit nor taxable profit (tax loss).

A deferred tax asset is recognised for all deductible temporary differences to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilised. A deferred tax asset is not recognised when it arises from the initial recognition of an asset or liability in a transaction at the time of the transaction, affects neither accounting profit nor taxable profit (tax loss).

A deferred tax asset is recognised for the carry forward of unused tax losses to the extent that it is probable that future taxable profit will be available against which the unused tax losses can be utilised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Tax expenses
Current and deferred taxes are recognised as income or an expense and included in profit or loss for the period, except to the extent that the tax arises from

- a transaction or event which is recognised, in the same or a different period, to other comprehensive income, or
- a business combination.

Current tax and deferred taxes are charged or credited to other comprehensive income if the tax relates to items that are credited or charged, in the same or a different period, to other comprehensive income.

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

1.9 Leases

The company assesses whether a contract is, or contains a lease, at the inception of the contract.

A contract is or contains a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

In order to assess whether a contract is, or contains a lease, management determine whether the asset under consideration is "identified", which means that the asset is either explicitly or implicitly specified in the contract and that the supplier does not have a substantial right of substitution throughout the period of use. Once management has concluded that the contract deals with an identified asset, the right to control the use thereof is considered. To this end, control over the use of an identified asset only exists when the company has the right to substantially all of the economic benefits from the use of the asset as well as the right to direct the use of the asset.

1.10 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.

Inventories include work in progress which relates to inventory issued to customers, which have not been invoiced.

1.11 Impairment of assets

The Group and Company assess at each end of the reporting period whether there is any indication that an asset may be impaired. If any such indication exists, the Group and Company estimates the recoverable amount of the asset.

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

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

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

An 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.

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.

1.12 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.

Ordinary shares are classified as equity.

Ordinary shares are recognised at par value and classified as 'share capital' in equity. Any amounts received from the issue of shares in excess of par value is classified as 'share premium' in equity. Dividends are recognised as a liability in the Group and Company in which they are declared.

1.13 Employee benefits

Short-term employee benefits

Liabilities for salaries, including non-monetary benefits, annual leave and accumulated sick leave that are expected to be settled wholly within 12 months after the end of the period in which the employees render the service are recognised in respect of the employee's services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

1.14 Provisions and contingencies

Provisions are recognised when:

- the Group and Company have a present obligation as a result of a past event;
- it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and
- a reliable estimate can be made of the obligation.

The amount of a provision is the present value of the expenditure expected to be required to settle the obligation.

Where some or all of the expenditure required to settle a provision is expected to be reimbursed by another party, the reimbursement shall be recognised when, and only when, it is virtually certain that reimbursement will be received if the entity settles the obligation. The reimbursement shall be treated as a separate asset. The amount recognised for the reimbursement shall not exceed the amount of the provision.

Provisions are not recognised for future operating losses.

If an entity has a contract that is onerous, the present obligation under the contract shall be recognised and measured as a provision.

1.15 Revenue from contracts with customers

The Group recognises revenue from the rendering of ICT services, such as access to core network, internet services, IT services, voice call services and local area network services.

Revenue is measured based on the consideration specified in a contract with a customer. The Group recognises revenue when it transfers control of a product or service to a customer.

Provision of IT services
The standard sets out the requirements for recognising revenue from contracts with customers and has impacted how the Group recognises revenue, using a five-step process which is applied below.

1. Identify the contract: the Group has contracts in each of the following revenue streams;

- Voice traffic - primarily revenue from international voice interconnects between international telecom carriers;
- Wholesale data and other services - primarily data services sold to telecom operators;
- Enterprise data and other services - primarily data services sold to medium to large enterprises in Namibia;
- Retail data and other services - primarily data services sold to consumers and small businesses in Namibia;
- Telephony services - telephones and telephonic systems with or without the use of wires; and
- Local area network installations - primarily the development and installation of a local area network.

2. Identify the performance obligations: The Group identifies deliverables in contracts with customers that qualify as separate "performance obligations". Some of the contracts relating to the revenue sources above contain multiple deliverables or performance obligations. The Group assesses whether there are distinct performance obligations at the start of each contract and throughout the performance of the contracts. The performance obligations identified will depend on the nature of individual customer contracts, which will typically be the provision of equipment to customers and the delivery of services provided to customers.

3. Determine the transaction price: The transaction price is measured based on the consideration specified in a contract with a customer and excludes amounts collected on behalf of third parties. The Group recognises revenue when it transfers control of a product or service to a customer, that is, when the performance obligation is satisfied.

PARATUS NAMIBIA HOLDINGS LIMITED INTEGRATED ANNUAL REPORT 2021

ACCOUNTING POLICIES (CONTINUED)

1.15 Revenue from contracts with customers (continued)

4. Allocate the transaction price: The transaction price receivable from customers is allocated across the Group's performance obligations under the contracts on a relative stand-alone selling price basis. Revenue will then be recognised either at a point in time or over time when the respective performance obligations in a contract are delivered to the customer. Stand-alone selling prices will be based on observable sales prices and where stand-alone selling prices are not directly observable, estimates of stand-alone selling prices will be required.

5. Recognise revenue as and when the performance obligations are satisfied.

The Group has applied the steps set out above to each of its revenue streams, in determining its revenue recognition policy, as follows:

- **Voice traffic:** The performance obligation relating to voice traffic is to provide voice minutes for the duration of the call until termination. The transaction price is determined based on agreed upon per minute rates and the duration of the call. Revenue relating to voice is recognised at the point the call is terminated as this is the point the service is delivered to the customer. Customers are invoiced monthly based on their voice usage and a receivable is raised when the service has been delivered.

- **Wholesale data and other services:** The performance obligation relating to these service contracts consists of two parts, firstly the installation of the equipment and/or connection of the service, the Non-Recurring Revenue (NRR), and secondly the provisioning of monthly services, the Monthly Recurring Revenue (MRR).

- **Telephony services:** The performance obligation relating to these service contracts consists of two parts, firstly the installation of the equipment and/or connection of the service, the Non-Recurring Revenue, and secondly the provisioning of monthly services, the Recurring Revenue.

- **Local area network installations:** The performance obligation relating to these service contracts consists of the installation of local area network equipment, which is Non-Recurring Revenue.

In case of fixed-price contracts, the customer pays the fixed amount based on a payment schedule. If the services rendered by the Group exceed the payment, a contract asset is recognised. If the payments exceed the services rendered, a contract liability is recognised. As a practical expedient, the Group recognises the incremental costs of obtaining a contract as an expense when incurred if the amortisation period of the asset that the Group otherwise would have recognised is less than one year.

The Group has used the practical expedient not to adjust the promised amount of consideration for the effects of the significant financing component since management expects at contract inception, that the period between when a promised service is transferred to a customer and when the customer pays is less than one year.

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

The Group and Company account for dividend revenue from these investments as revenue other than from contracts with customers.

1.16 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. Contract costs comprise:
- costs that relate directly to the specific contract;
- costs that are attributable to contract activity in general and can be allocated to the contract; and
- depreciation that relates to core network assets applied to deliver ICT services to customers; and
- such other costs as are specifically chargeable to the customer under the terms of the contract.

1.17 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.

1.18 Translation of foreign currencies

Foreign currency transactions
A foreign currency transaction is recorded, on initial recognition in Namibia 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 consolidated and separate 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.

Cash flows arising from transactions in a foreign currency are recorded in Namibia Dollars by applying to the foreign currency amount the exchange rate between the Namibia Dollar and the foreign currency at the date of the cash flow.

2. NEW STANDARDS AND INTERPRETATIONS

2.1 Standards and interpretations issued affecting amounts reported and disclosures in the current financial year

In the current period, the Group and Company have adopted the following standards and interpretations that are effective for the current financial year and that are relevant to its operations:

Standard/ Interpretation:	Effective date: Years beginning on or after	Expected impact:
COVID - 19 - Related Rent Concessions - Amendment to IFRS 16	1 June 2020	No material impact
Definition of a business - Amendments to IFRS 3	1 January 2020	No material impact
Presentation of Financial Statements: Disclosure initiative	1 January 2020	No material impact
Accounting Policies, Changes in Accounting Estimates and Errors: Disclosure initiative	1 January 2020	No material impact

2.2 Standards and interpretations not yet effective

In the current period, the Group and Company have adopted the following standards and interpretations that are effective for the current financial year and that are relevant to its operations:

Standard/ Interpretation:	Effective date: Years beginning on or after	Expected impact:
Disclosure of accounting policies: Amendments to IAS 1 and IFRS Practice statement 2	1January 2023	Unlikely there will be a material impact
Definition of accounting estimates: Amendments to IAS 8	1January 2023	Unlikely there will be a material impact
Classification of Liabilities as Current or Non-current: Amendments to IAS 1	1January 2023	Unlikely there will be a material impact
Annual improvement to IFRS Standards 2018 - 2020: Amendments to IFRS 1	1January 2022	Unlikely there will be a material impact
Reference to Conceptual Framework: Amendments to IFRS 3	1January 2022	Unlikely there will be a material impact
Annual improvements to IFRS Standards 2018 - 2020: Amendments to IFRS 9	1January 2022	Unlikely there will be a material impact
Property, Plant and equipment proceeds before intended use: Amendments to IAS 16	1January 2022	Unlikely there will be a material impact
Onerous contracts - cost of fulfilling a contract: amendments to IAS 37	1January 2022	Unlikely there will be a material impact
Annual improvements to IFRS Standard 2018 - 2020: Amendments to IAS 41	1January 2022	Unlikely there will be a material impact
Interest Rate Benchmark Reform - Phase 2: Amendments to IFRS 4, IFRS 7, IFRS 9, IFRS 16, IAS 39	1January 2021	Unlikely there will be a material impact

PARATUS NAMIBIA HOLDINGS LIMITED INTEGRATED ANNUAL REPORT 2021

3. PROPERTY, PLANT AND EQUIPMENT

Group	2021			2020		
	Cost / valuation N$	Accumulated depreciation N$	Carrying value N$	Cost / valuation N$	Accumulated depreciation N$	Carrying value N$
Land and buildings	60,330,005	-	60,330,005	50,020,000	-	50,020,000
Fiber (passive equipment)	52,836,255	(4,339,713)	48,496,542	52,836,255	(1,446,571)	51,389,684
Fiber (active equipment)	8,444,304	(3,414,711)	5,029,593	7,388,799	(1,110,903)	6,277,896
Infrastructure equipment	213,963,660	(10,934,619)	203,029,041	97,218,692	(2,368,922)	94,849,770
Core network assets	46,947,997	(21,129,007)	25,818,990	33,073,684	(7,264,333)	25,809,351
Equipment	29,130,670	(12,834,552)	16,296,118	15,246,649	(3,300,759)	11,945,890
Furniture & fittings	1,490,378	(821,854)	668,524	1,201,917	(325,975)	875,942
Motor vehicles	4,204,374	(1,363,733)	2,840,641	2,968,314	(451,818)	2,516,496
Capital work in progress	27,507,208	-	27,507,208	10,559,378	-	10,559,378
Total	**444,854,851**	**(54,838,189)**	**390,016,662**	**270,513,688**	**(16,269,281)**	**254,244,407**

Reconciliation of property, plant and equipment - 2021

Group	Opening balance N$	Additions N$	Transfers N$	Disposals N$	Depreciation N$	Total N$
Land and buildings	50,020,000	10,310,005	-	-	-	**60,330,005**
Fiber (passive equipment)	51,389,684	-	-	-	(2,893,142)	**48,496,542**
Fiber (active equipment)	6,277,896	1,055,505	-	-	(2,303,808)	**5,029,593**
Infrastructure equipment	94,849,770	105,451,605	11,293,363	-	(8,565,697)	**203,029,041**
Core network assets	25,809,351	13,889,966	-	(15,653)	(13,864,674)	**25,818,990**
Equipment	11,945,890	13,931,799	-	(47,778)	(9,533,793)	**16,296,118**
Furniture & fittings	875,942	288,461	-	-	(495,879)	**668,524**
Motor vehicles	2,516,496	1,236,060	-	-	(911,915)	**2,840,641**
Capital work in progress	10,559,378	28,241,193	(11,293,363)	-	-	**27,507,208**
	254,244,407	**174,404,594**	**-**	**(63,431)**	**(38,568,908)**	**390,016,662**

In the current year total additions on property plant and equipment include assets acquired as a result of a business combination, amounting to N$381,213.

Reconciliation of property, plant and equipment - 2020

Group	Additions through business combination N$	Additions N$	Revaluations N$	Disposals N$	Depreciation N$	Total N$
Land and buildings	47,100,000	-	2,920,000	-	-	**50,020,000**
Fiber (passive equipment)	52,836,255	-	-	-	(1,446,571)	**51,389,684**
Fiber (active equipment)	7,388,799	-	-	-	(1,110,903)	**6,277,896**
Infrastructure equipment	80,245,140	16,973,552	-	-	(2,368,922)	**94,849,770**
Core network assets	31,816,951	1,256,733	-	-	(7,264,333)	**25,809,351**
Equipment	8,603,102	6,662,493	-	(18,946)	(3,300,759)	**11,945,890**
Furniture & fittings	828,130	373,787	-	-	(325,975)	**875,942**
Motor vehicles	2,968,314	-	-	-	(451,818)	**2,516,496**
Capital work in progress	-	10,559,378	-	-	-	**10,559,378**
	231,786,691	**35,825,943**	**2,920,000**	**(18,946)**	**(16,269,281)**	**254,244,407**

	Group		Company	
	12 months ended 30 June 2021 N$	16 months ended 30 June 2020 N$	12 months ended 30 June 2021 N$	16 months ended 30 June 2020 N$
Property, plant and equipment encumbered as security The following assets have been encumbered as security for the secured long-term borrowings:				
Motor vehicles	-	141,673	-	-
Core network assets	-	74,093	-	-

The instalment sales agreement for 2020 bears interest at a rate of 8.75%, is secured by motor vehicles with a book value of N$141,673 and is repayable in monthly instalments of N$7,336. This debt was settled in full during the year under review (refer note 14).

The instalment sales agreement for 2020 bears interest at a rate of 7.75%, is secured by core network assets with a book value of N$74,093 and is repayable in equal monthly instalments of N$27,048. This debt was settled in full during the year under review (refer note 14).

	Group		Company	
Details of owner-occupied land and buildings	12 months ended 30 June 2021 N$	16 months ended 30 June 2020 N$	12 months ended 30 June 2021 N$	16 months ended 30 June 2020 N$
Erf 232 (a portion of Erf 231), Prosperita				
Building at cost	470,000	470,000	-	-
Improvements since acquisition	1,125,306	1,125,306	-	-
Revaluations since acquisition	9,924,694	9,924,694	-	-
	11,520,000	**11,520,000**	**-**	**-**

Property consists of Erf No.232 (a portion of Erf 231), Prosperita, in the Municipality of Windhoek, Registration Division "K", measuring 1,343 square meters. Held under Registered Deed of Transfer T0070/2008.

	Group		Company	
Details of owner-occupied land and buildings	12 months ended 30 June 2021 N$	16 months ended 30 June 2020 N$	12 months ended 30 June 2021 N$	16 months ended 30 June 2020 N$
Erf no. 348, Prosperita				
Building at cost	3,500,000	3,500,000	-	-
Improvements since acquisition	18,876,499	18,876,499	-	-
Revaluations since acquisition	16,123,501	16,123,501	-	-
	38,500,000	**38,500,000**	**-**	**-**

Property consists of Erf No. 348, Prosperita, in the Municipality of Windhoek, Registration Division "K", measuring 2,638 square meters. Registered under Deed of Transfer T5746/2008.

	Group		Company	
Details of owner-occupied land and buildings	12 months ended 30 June 2021 N$	16 months ended 30 June 2020 N$	12 months ended 30 June 2021 N$	16 months ended 30 June 2020 N$
Erf 5360, Swakopmund				
- Land at cost	**955,000**			

Property consists of Erf 5360, in the Municipality of Swakopmund, Registration Division "G", measuring 1,000 square meters. The construction of the Cable Landing Station for the Equiano sub-sea cable in Swakopmund has commenced. The facility has been completed with the internal fitout currently underway. This project was estimated to cost approximately N$38 million. The Cable Landing Station consists of the building and other terminal facilities which is required to land the Equiano Submarine Cable System. Total capital expenditure towards this project at year-end amounts to N$19,829,027. Work-in-progress relating to this project amounts to N$18,874,027.

PARATUS NAMIBIA HOLDINGS LIMITED INTEGRATED ANNUAL REPORT 2021

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

3. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Details of owner-occupied land and buildings	Group 12 months ended 30 June 2021 N$	Group 16 months ended 30 June 2020 N$	Company 12 months ended 30 June 2021 N$	Company 16 months ended 30 June 2020 N$
Portion 361 (a portion of portion 26) of the farm Brakwater no. 48				
Land at cost	9,355,005	-	-	-

Property consists of Portion 361 (a portion of portion 26) of the farm Brakwater no. 48, in the Municipality of Windhoek, Registration Division "K", measuring 12,986 square meters. The acquisition of the erf to construct the Tier 3 equivalent data center has been finalised. The total cost of the erf amounts to N$9,355,005. Construction has commenced. The project is expected to be completed during the third quarter of 2022 at a total cost of N$123 million. Total capital expenditure towards this project at year-end amounts to N$17,988,190. Work-in-progress relating to this project amounts to N$8,633,185.

The effective date of the revaluations of the Prosperita erven is dated 02 December 2019. Revaluations were performed by an independent valuer, E. Liniko (valuation surveyor) of RMC Property Services. RMC Property Services is not connected to the company and have recent experience in location and category of the land and buildings valued.

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

At year-end the directors performed a desktop valuation of the Prosperita erven and based on the valuation the fair value of the investment property approximates its carrying amount.

4. LEASES (GROUP AND COMPANY AS LESSEE)

The Group leases various properties. Rental contracts are typically made for fixed periods of 3 years but may have extension options as described below. Lease terms are negotiated on an individual basis and contain a range of different terms and conditions. The lease agreements do not impose covenants, but leased assets may not be used as security for borrowing purposes.

Leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the group. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to profit or loss over the lease period so to produce a constant periodic rate of interest on the remaining balance of the liability each period. The right-of-use asset is depreciated over the shorter of the asset's useful life and the lease term on a straight line basis.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:
- fixed payments (including in-substance fixed payments), less any lease incentives receivable
- variable lease payment that are based on an index or a rate

The lease payments are discounted using the interest rate implicit in the lease, if that rate can be determined, or the Group's incremental borrowing rate.

Right-of-use assets are measured at cost comprising the following:
- the amount of the initial measurement of lease liability
- any lease payments made at or before the commencement date less any lease incentives received, and
- any initial direct costs

Payments associated with short-term leases and leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less. Low-value assets comprise IT- equipment.

Extension and termination options are included in the property leases. These terms are used to maximise operational flexibility in terms of managing contracts. The majority of extension and termination options held are exercisable by both parties.

Details pertaining to leasing arrangements, where the Group is a lessee are presented below:

Net carrying amounts of right-of-use assets

Reconciliation of right-of-use assets - 2021

	Opening balance N$	Additions N$	Disposal / modification N$	Depreciation N$	Carrying amount N$
Right-of-use asset	1,771,687	-	1,122,359	(880,282)	2,013,764

Reconciliation of right-of-use assets - 2020

	Opening balance N$	Additions N$	Disposal / modification N$	Depreciation N$	Carrying amount N$
Right-of-use asset	-	2,664,059	(292,225)	(600,147)	1,771,687

	Group 12 months ended 30 June 2021 N$	Group 16 months ended 30 June 2020 N$	Company 12 months ended 30 June 2021 N$	Company 16 months ended 30 June 2020 N$
The carrying amounts of right-of-use assets are as follows:				
Buildings	2,013,764	1,771,687	-	-
Additions to right-of-use assets				
Buildings	-	125,470	-	-
Depreciation recognised on right-of-use assets				

Depreciation recognised on each class of right-of-use assets, is presented below. It includes depreciation which has been expensed in the total depreciation charge in profit or loss (note 24), as well as depreciation which has been capitalised to the cost of other assets.

	Group 12 months ended 30 June 2021 N$	Group 16 months ended 30 June 2020 N$	Company 12 months ended 30 June 2021 N$	Company 16 months ended 30 June 2020 N$
Buildings	(880,282)	(600,147)	-	-
Other disclosures				
Interest expense on lease liabilities (refer note 26)	(150,663)	(174,743)	-	-
Expenses on short term leases included in operating expenses (refer note 24)	(412,536)	(113,173)	-	-
Total cash outflow from leases (refer note 32)	(1,188,707)	(817,825)	-	-
Lease liabilities				
The maturity analysis of lease liabilities is as follows:				
Within one year	1,271,573	1,199,423	-	-
Two to five years	1,444,462	1,459,968	-	-
	2,716,035	**2,659,391**	**-**	**-**
Less finance charges component	(218,892)	(246,564)		
	2,497,143	**2,412,827**		
Non-current liabilities	1,392,845	1,364,059		
Current liabilities	1,104,298	1,048,768		
	2,497,143	**2,412,827**		

Exposure to liquidity risk
Refer to note 36 Financial instruments and risk management for the details of liquidity risk exposure and management.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (CONTINUED)

5. INTANGIBLE ASSETS

Group	2021			2020		
	Cost / Valuation N$	Accumulated amortisation N$	Carrying value N$	Cost / Valuation N$	Accumulated amortisation N$	Carrying value N$
Paratus Brand	16,616,400	(4,154,100)	12,462,300	16,616,400	(1,384,700)	15,231,700
Telecommunications License / Network Spectrum	241,408,500	-	241,408,500	241,408,500	-	241,408,500
Computer software	6,850,020	(2,780,948)	4,069,072	2,763,731	(833,171)	1,930,560
Goodwill	12,287,742	-	12,287,742	10,406,074	-	10,406,074
Customer base	1,029,250	(578,953)	450,297	1,029,250	(192,984)	836,266
Free right of use (Fiber capacity -Botswana)	25,200,000	(2,080,734)	23,119,266	25,200,000	(693,578)	24,506,422
Customer relationship Botswana Fiber Network	2,909,900	(218,243)	2,691,657	2,909,900	(72,748)	2,837,152
Total	**306,301,812**	**(9,812,978)**	**296,488,834**	**300,333,855**	**(3,177,181)**	**297,156,674**

Reconciliation of intangible assets - 2021

Group	Opening balance N$	Additions N$	Amortisation N$	Closing Balance N$
Paratus Brand	15,231,700	-	(2,769,400)	12,462,300
Telecommunications License / Network Spectrum	241,408,500	-	-	241,408,500
Computer software	1,930,560	4,086,289	(1,947,777)	4,069,072
Goodwill	10,406,074	1,881,668	-	12,287,742
Customer base	836,266	-	(385,969)	450,297
Free right of use (Fiber capacity - Botswana)	24,506,422	-	(1,387,156)	23,119,266
Customer relationship - Botswana fiber network	2,837,152	-	(145,495)	2,691,657
	297,156,674	**5,967,957**	**(6,635,797)**	**296,488,834**

Reconciliation of intangible assets - 2020

Group	Additions through business combination N$	Additions N$	Amortisation N$	Closing Balance N$
Paratus Brand	16,616,400	-	(1,384,700)	15,231,700
Telecommunications License / Network Spectrum	241,408,500	-	-	241,408,500
Computer software	2,576,225	187,506	(833,171)	1,930,560
Goodwill	10,406,074	-	-	10,406,074
Customer base	1,029,250	-	(192,984)	836,266
Free right of use (Fiber capacity - Botswana)	25,200,000	-	(693,578)	24,506,422
Customer relationship - Botswana fiber network	2,909,900	-	(72,748)	2,837,152
	300,146,349	**187,506**	**(3,177,181.00)**	**297,156,674**

Fair value information
Refer note 36 Fair value information for details of valuation policies and processes. Intangible assets at fair value are classified as level 3 financial instruments. Level 3 financial instruments are valued at unobservable inputs for the assets. No transfers of financial instruments have been made between fair value hierarchy levels during the year ended 30 June 2021.

Other information
On 1 June 2021 Paratus Telecommunications (Proprietary) Limited acquired a 52% interest in Bitstream Internet Solutions (Proprietary) Limited, through a business combination, resulting in goodwill to the amount of N$1,881,668. On 1 January 2020 the group acquired intangible assets with a book value of N$300,146,349 through a business combination.

Intangible assets are amortised over their useful lives, except for the telecommunications license / network spectrum and goodwill which have indefinite useful lives. Intangible assets with indefinite useful lives are tested for impairment and all impairment losses are accounted for in profit or loss. At the end of the reporting period there were no indicators for impairment.

The management's expert investigated whether qualifying intangible assets met the criteria for separate recognition by discussion with management and inspection of the management accounts, forecast and relevant agreements/contracts relating to the company.

Paratus brand
The Paratus brand arose as a result of a business combination. The brand is shown at cost less accumulated amortisation and impairment losses. Impairment is tested annually. Paratus is a well known brand and is maintained by actively spending money to promote the brand. During the financial year Paratus Telecommunications (Proprietary) Limited has spent N$7,223,924 (2020: N$9,635,845) on advertising and marketing. The customer base has grown significantly since acquisition. In addition to this, the Company's revenue and profit after tax is growing, therefore there are no indications of impairment.

Goodwill
Goodwill resulting from investments in subsidiaries amounting to N$10,723,525 (2020: N$8,841,857) is included in intangibles assets.

The remainder of the balance of goodwill amounting to N$1,564,217 (2020: N$1,564,217) arose as a result of the acquisition of the Vox Telecom Namibia business during 2014.

For the purpose of impairment testing, goodwill acquired in a business combination is allocated to each of the cash-generating-units ("CGUs"), or groups of CGUs, that is expected to benefit from the synergies of the combination. Each unit or group of units to which the goodwill is allocated represents the lowest level within the entity at which the goodwill is monitored for internal management purposes. Goodwill is monitored at the operating segment level.

The recoverable amount of goodwill is tested annually for impairment in accordance with the stated accounting policy. The recoverable amount of the CGUs has been determined based on value-in-use calculations, being the net present value of the discounted cash flows of the CGUs. Assumptions used by management include discount rate of 10.33%, perpetual growth rate of 5%, EV/EBITDA multiple of 7 times.

Goodwill is allocated to each subsidiary based on its initial acquisition. Each subsidiary is deemed to be an individual CGU. The recoverable amount of the CGU was determined using fair value calculations of the individual companies that gave rise to the goodwill asset. No instance was detected which indicated the impairment of the goodwill.

6. INTERESTS IN SUBSIDIARIES

The following table lists the entities controlled directly and indirectly by the Group and Company, and the carrying amounts of the investments in the Company's separate financial statements.

Company interest held directly

Paratus Namibia Holdings Limited							
Name of company	Held by	voting power 2021 %	voting power 2020 %	holding 2021 %	holding 2020 %	Carrying amount 2021 N$	Carrying amount 2020 N$
Paratus Telecommunications (Proprietary) Limited	Paratus Namibia Holdings Limited	100%	100%	100%	100%	427,644,393	427,644,393

Group interests held indirectly

Paratus Telecommunications (Proprietary) Limited							
Name of company	Held by	voting power 2021 %	voting power 2020 %	holding 2021 %	holding 2020 %	Carrying amount 2021 N$	Carrying amount 2020 N$
Internet Technologies Namibia (Proprietary) Limited	Paratus Telecommunications (Proprietary) Limited	100%	100%	100%	100%	10,000	10,000
Paratus Properties (Proprietary) Limited	Paratus Telecommunications (Proprietary) Limited	100%	100%	100%	100%	8,933,207	8,933,207
Paratus Property Two (Proprietary) Limited	Paratus Telecommunications (Proprietary) Limited	100%	100%	100%	100%	14,498,004	14,498,004
Paratus Voice Telecommunications (Proprietary) Limited	Paratus Telecommunications (Proprietary) Limited	100%	100%	100%	100%	100	100
Bitstream Internet Solutions (Proprietary) Limited	Paratus Telecommunications (Proprietary) Limited	52%	0%	52%	0%	2,080,000	-
						25,521,311	**23,441,311**

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

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (CONTINUED)

6. INTERESTS IN SUBSIDIARIES (CONTINUED)

Business combination

	Group		Company	
	12 months ended 30 June 2021 N$	16 months ended 30 June 2020 N$	12 months ended 30 June 2021 N$	16 months ended 30 June 2020 N$
Investment in subsidiary - Paratus Telecommunications (Proprietary) Limited (Namibia)	-	-	**427,644,393**	**427,644,393**

On 1 January 2020 Paratus Namibia Holdings Limited acquired the remaining 46,168 ordinary shares in Paratus in accordance with a share swap transaction, bringing the total shareholding of PNH in Paratus to 100% (29 February 2019: 51.38%). The swap consideration was settled through the issue of 20,012,431 new ordinary PNH shares allotted to Paratus Group at a pre-determined and agreed upon price of N$10.50 each for a total consideration of N$210,130,525.50. Transaction costs incurred have been expensed as consulting fees and is recognised in operating expenses.

The Board of directors is required in terms of Schedule 5 of the NSX listing Requirements to provide the NSX with written confirmation from an independent professional expert that the terms of the Proposed Swap are fair and reasonable as far as the shareholders of Paratus Namibia Holdings Limited are concerned.

The value of the shares acquired in the subsidiary is determined by the fair value in use in the Swap Agreement as determined by management's expert.

The primary valuation approach used to determine the fair value is the net asset value approach. This included performing a discounted cash flow (DCF) on Paratus Telecommunications (Proprietary) Limited and adding the remainder of the net asset value in Paratus Namibia Holdings Limited, which included the investment in money market funds and the cash and cash equivalents. The assumptions applied in this model includes the discount rate and the projected cash flows. The discount rate applied is the WACC. The projected cash flows have been computed for a period of 5 years. The assumptions are unobservable (level 3) and there is no inter-dependency between them.

At 1 January 2020 the fair value of Paratus Telecommunications (Proprietary) Limited and its subsidiaries amounted to N$445,334,269 (refer to note 34 for the list of subsidiaries). The valuation was performed by Cirrus Capital (Proprietary) Limited. A fair and reasonable assessment was conducted by PSG Capital (Proprietary) Limited.

This investment was acquired in stages. Paratus Namibia Holdings limited previously held a 51.38% shareholding in Paratus Telecommunications (Proprietary) Limited (Namibia). The Group did not control the investment in associate at that stage. On 1 January 2020 the fair value of the investment in associate was N$228,901,814 (51.38%) and the book value was N$227,978,793. The change in ownership resulted in a deemed profit on sale of disposal of associate amounting to N$923,021, included in other operating gains.

During the prior 16 month period, income from equity accounted earnings amounted to N$6,662,882.

On 1 June 2021 Paratus Telecommunications (Proprietary) Limited acquired a 52% interest in Bitstream Internet Solutions (Proprietary) Limited through a business combination. Total consideration amounted to N$2,080,000. Transaction costs incurred has been expensed as consulting fees and is recognised in operating expenses.

The fair value of Bitstream Internet Solutions (Proprietary) Limited was performed by Cirrus Capital (Proprietary) Limited, and amounted to N$4,377,439.

Details of the purchase consideration, the net assets acquired and goodwill are as follows:

	12 months ended 30 June 2021 N$	16 months ended 30 June 2020 N$
Fair value of consideration transferred	2,080,000	210,130,526
Fair value of previously held equity interest	-	228,901,814
Total purchase consideration	**2,080,000**	**439,032,340**
The assets and liabilities recognised as a result of the acquisition are as follows:		
Cash and cash equivalents	196	1,214,305
Property, plant and equipment	381,212	234,327,539
Intangible assets	-	6,051,456
Telecommunications License / Network Spectrum	-	241,408,500
Paratus Brand	-	16,616,400
Free right of use (Fiber capacity - Botswana)	-	25,200,000
Customer relationship (Botswana Fiber Network)	-	2,909,900
Loans to related parties	-	1,281,395
Finance lease receivables	-	198,448
Inventories	-	16,368,927
Trade receivables	-	38,284,384
Investments at fair value	-	52,314,956
Lease liabilities	-	(3,721,160)
Borrowings	-	(86,519,754)
Contract liabilities	-	(89,267,756)
Taxation payable	-	(985,500)
Provisions	-	(2,144,082)
Payables	-	(18,394,739)
Bank overdrafts	-	(3,125,755)
Net deferred taxation asset	-	(945,218)
Net identifiable assets acquired	**381,408**	**431,072,246**
Add: Goodwill	1,881,668	7,960,094
Less: Non-controlling interest	(183,076)	-
	2,080,000	**439,032,340**

On date of acquisition the difference between the net asset value and the fair value of the investment resulted in a goodwill amount of N$1,881,668 (30 June 2020: N$294 million). This amount was allocated to the following intangible assets (refer note 5):

	12 months ended 30 June 2021 N$	16 months ended 30 June 2020 N$
Telecommunications License / Network Spectrum	-	241,408,500
Paratus Brand	-	16,616,400
Free right of use (Fiber capacity - Botswana)	-	25,200,000
Customer relationship (Botswana Fiber Network)	-	2,909,900
Goodwill	1,881,668	7,960,094
	1,881,668	**294,094,894**

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (CONTINUED)

7. LOANS TO RELATED PARTIES

		Group		Company	
		12 months ended 30 June 2021 N$	16 months ended 30 June 2020 N$	12 months ended 30 June 2021 N$	16 months ended 30 June 2020 N$
Related parties	**Basis of accounting**				
Paratus Telecommunications (Proprietary) Limited	Amortised cost	-	-	36,500,000	-

Interest will be charged at 0% per annum. There are no fixed terms of repayment, other than a 12 month notice period. The loan is a variable long-term loan for inter alia the following:

- A share buy-back from PNH;
- Cash contributions towards capital projects within the Company; and
- Dividends payable to Paratus Namibia Holdings Limited to replenish reserves to enable dividend payments to the shareholders of Paratus Namibia Holdings Limited.

		Group		Company	
		12 months ended 30 June 2021 N$	16 months ended 30 June 2020 N$	12 months ended 30 June 2021 N$	16 months ended 30 June 2020 N$
Paratus Telecommunications (Proprietary) Limited	Amortised cost	-	-	200,478,275	-

The loan is a long-term loan for capital projects within the Group. Interest will be charged as per the Applicable Pricing Supplements for the N$25,000,000 and N$175,000,000 Senior Unsecured Floating Rate Notes. Interest payments to be made to the note holders by Paratus Telecommunications (Proprietary) Limited on behalf of Paratus Namibia Holdings Limited. Repayment terms to be back-to-back with the Medium Term Note Programme's Applicable Pricing Supplement for the three years and five years notes issued by Paratus Namibia Holdings Limited, respectively. This loan is subject to a twelve month written notice period for repayment.

		Group		Company	
		12 months ended 30 June 2021 N$	16 months ended 30 June 2020 N$	12 months ended 30 June 2021 N$	16 months ended 30 June 2020 N$
Canocopy (Proprietary) Limited	Amortised cost	216,372	820,231	-	-

The loan is unsecured, bears interest at prime plus 0.25% per annum and is repayable in 156 monthly capital instalments of N$50 000 (excluding interest which is calculated on the outstanding balance).

		Group		Company	
		12 months ended 30 June 2021 N$	16 months ended 30 June 2020 N$	12 months ended 30 June 2021 N$	16 months ended 30 June 2020 N$
Misty Bay Investments One Hundred and Forty Close Corporation	Amortised cost	(266,004)	-	-	-

This loan bears no interest and has no fixed repayment terms other than a twelve month notice period for repayment.

As well as the future prospects in the industries in which the counterparties operate. Management did not consider group loans receivable to be impaired at year-end as the credit risk has not increased significantly since initial recognition and the expected credit losses calculated were immaterial. Group loans receivable will be assessed for impairment on an annual basis.

Split between non-current and current portions

	Group		Company	
	12 months ended 30 June 2021 N$	16 months ended 30 June 2020 N$	12 months ended 30 June 2021 N$	16 months ended 30 June 2020 N$
Non-current assets	-	220,231	236,500,000	-
Current assets	216,372	600,000	478,275	-
Non-current liabilities	(266,004)	-	-	-
	(49,632)	**820,231**	**236,978,275**	**-**

Exposure to credit risk
Loans receivable inherently expose the Group to credit risk, being the risk that the Group will incur financial loss if counterparties fail to make payments as they fall due.

Loans receivable are subject to the impairment provisions of IFRS 9 Financial Instruments, which requires a loss allowance to be recognised for all exposures to credit risk. The loss allowance for group loans receivable is calculated based on twelve month expected losses if the credit risk has not increased significantly since initial recognition. In cases where the credit risk has increased significantly since initial recognition, the loss allowance is calculated based on lifetime expected credit losses. The loss allowance is updated to either twelve month or lifetime expected credit losses at each reporting date based on changes in the credit risk since initial recognition. If a loan is considered to have a low credit risk at the reporting date, then it is assumed that the credit risk has not increased significantly since initial recognition. On the other hand, if a loan is in arrears more than 90 days, then it is assumed that there has been a significant increase in credit risk since initial recognition.

In determining the amount of expected credit losses, the Group has taken into account any historic default experience, the financial positions of the counterparties as well as the future prospects in the industries in which the counterparties operate. Management did not consider group loans receivable to be impaired at year-end as the credit risk has not increased significantly since initial recognition and the expected credit losses calculated were immaterial. Group loans receivable will be assessed for impairment on an annual basis.

There has been no change in the estimation techniques or significant assumptions made during the current reporting period.

Credit rating framework
For purposes of determining the credit loss allowances, management determines the credit rating grades of each loan at the end of the reporting period. These ratings are determined internally, external ratings are not available.
The table below sets out the internal credit rating framework which is applied by management for loans. The abbreviation "ECL" is used to depict "expected credit losses."

Internal credit grade	Description	Basis for recognising expected credit losses
Performing	Low risk of default and no amounts are past due.	12m ECL
Doubtful	Either 30 days past due or there has been a significant increase in credit risk since initial recognition.	Lifetime ECL (not credit impaired)
In default	Either 90 days past due or there is evidence that the asset is credit impaired.	Lifetime ECL (credit impaired)
Write-off	There is evidence indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery.	Amount is written off

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (CONTINUED)

7. LOANS TO RELATED PARTIES (CONTINUED)

Credit loss allowances
The following tables set out the carrying amount, loss allowance and measurement basis of expected credit losses for group loans receivable by credit rating grade:

Group 2021					
Instrument	Internal credit rating	Basis of loss allowance	Gross Carrying amount N$	Loss allowance N$	Amortised cost N$
Loans to related parties					
Canocopy (Proprietary) Limited	Performing	12m ECL	216,372	-	216,372
Total			**216,372**	**-**	**216,372**

Group 2020					
Instrument	Internal credit rating	Basis of loss allowance	Gross Carrying amount N$	Loss allowance N$	Amortised cost N$
Loans to related parties					
Canocopy (Proprietary) Limited	Performing	12m ECL	820,231	-	820,231
Total			**820,231**	**-**	**820,231**

Company 2021					
Instrument	Internal credit rating	Basis of loss allowance	Gross Carrying amount N$	Loss allowance N$	Amortised cost N$
Loans to related parties					
Paratus Telecommunications (Proprietary) Limited	Performing	12m ECL	236,978,275	-	236,978,275
Total			**236,978,275**	**-**	**236,978,275**

Exposure to currency risk
Refer to note 36 Financial instruments and financial risk management for details of currency risk management for group loans receivable.

8. INVENTORIES

	Group		Company	
	12 months ended 30 June 2021 N$	16 months ended 30 June 2020 N$	12 months ended 30 June 2021 N$	16 months ended 30 June 2020 N$
Merchandise	18,755,187	13,735,126	-	-
Inventory write downs	-	-	-	-
	18,755,187	**13,735,126**	**-**	**-**

9. TRADE AND OTHER RECEIVABLES

	Group		Company	
	12 months ended 30 June 2021 N$	16 months ended 30 June 2020 N$	12 months ended 30 June 2021 N$	16 months ended 30 June 2020 N$
Financial instruments:				
Trade receivables	25,406,560	22,031,652	-	-
Loss allowance	(3,139,686)	(2,637,091)	-	-
Trade receivables at amortised cost	22,266,874	19,394,561	-	-
Deposits	607,732	597,732	-	-
Sundry debtors	83,435	380,514	-	-
Non-financial instruments:				
Prepayments	7,726,167	7,055,149	-	-
VAT Receivable	9,338,244	2,494,193	-	-
Total trade and other receivables	**40,022,452**	**29,922,149**	**-**	**-**
Financial instrument and non-financial instrument components of trade and other receivables				
At amortised cost	22,958,041	20,372,807	-	-
Non-financial instruments	17,064,411	9,549,342	-	-
	40,022,452	**29,922,149**	**-**	**-**
Split between non-current and current portions				
Current assets	**40,022,452**	**29,922,149**	**-**	**-**

Trade and other receivables pledged as security
All debtors of Paratus Telecommunications (Proprietary) Limited have been ceded to First National Bank of Namibia Limited as security for its bank overdraft facility. At year end the overdraft facility amounted to N$4,096,006 (2020: N$43,001) (refer note 12).

Exposure to credit risk
Trade receivables inherently expose the Group to credit risk, being the risk that the Group will incur financial loss if customers fail to make payments as they fall due.

In order to mitigate the risk of financial loss from defaults, the Group only deals with reputable customers with consistent payment histories. Each customer is analysed individually for creditworthiness before terms and conditions are offered. Customer credit limits are in place and are reviewed and approved by management. The exposure to credit risk and the creditworthiness of customers, is continuously monitored.

There have been no significant changes in the credit risk management policies and processes since the prior reporting period.

The expected loss rates have been increased to mitigate the risk of payment defaults from customers due to the impact of the COVID-19 pandemic.

A loss allowance is recognised for all trade receivables, in accordance with IFRS 9 Financial Instruments, and is monitored at the end of each reporting period. In addition to the loss allowance, trade receivables are written off when there is no reasonable expectation of recovery, for example, when a debtor has been placed under liquidation. Trade receivables which have been written off are not subject to enforcement activities.

The Group measures the loss allowance for trade receivables by applying the simplified approach which is prescribed by IFRS 9. In accordance with this approach, the loss allowance on trade receivables is determined as the lifetime expected credit losses on trade receivables.

To measure the expected credit losses, trade receivables and contract assets have been grouped based on shared credit risk characteristics and the days past due. The contract assets relate to unbilled work in progress and have substantially the same risk characteristics as the trade receivables for the same type of contracts. The Group has therefore concluded that the expected loss rates for trade receivables are a reasonable approximation of the loss rates for the contract assets.

There has been no significant change in the estimation techniques or significant assumptions made during the current year.

The Group's historical credit loss experience does not show significantly different loss patterns for different customer segments. The provision for credit losses is therefore based on past due status without disaggregating into further risk profiles.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (CONTINUED)

9. TRADE AND OTHER RECEIVABLES (CONTINUED)

The impact of COVID-19 is reflected in the expected loss rates below.

The loss allowance provision is determined as follows:

Paratus Telecommunications (Proprietary) Limited

Expected credit loss rate:	2021 Estimated gross carrying amount at default N$	2021 Loss allowance (Lifetime expected credit loss) N$	2020 Estimated gross carrying amount at default N$	2020 Loss allowance (Lifetime expected credit loss) N$
Current: 5% (2020: 2%)	12,972,830	648,642	9,749,425	194,842
31 - 90 days past due: 14% (2020: 11%)	7,065,442	989,162	5,300,274	582,680
More than 90 days past due: 30% (2020: 27%)	5,006,275	1,501,882	6,886,920	1,859,569
Total	**25,044,547**	**3,139,686**	**21,936,619**	**2,637,091**

10. INVESTMENTS AT FAIR VALUE

	Group		Company	
	12 months ended 30 June 2021 N$	16 months ended 30 June 2020 N$	12 months ended 30 June 2021 N$	16 months ended 30 June 2020 N$
IJG Corporate money market solution	-	39,911,073	-	-
Cirrus Capital Money Market Fund	132,044,684	-	-	-
Capricorn Corporate Fund - money market fund	10,002,675	7,948,198	10,002,675	7,948,198
Old Mutual Corporate Fund - money market fund	17,808,922	67,237,556	17,808,922	67,237,556
	159,856,281	**115,096,827**	**27,811,598**	**75,185,754**

Details of money market fund:

IJG Corporate Money Market Solution				
Opening balance / acquisition through business combination	39,911,073	38,552,080	-	-
Withdrawals	(40,856,197)	-	-	-
Deposits	-	-	-	-
Dividends	945,124	1,358,993	-	-
	-	**39,911,073**	**-**	**-**
Cirrus Capital Money Market Fund				
Opening balance	-	-	-	-
Withdrawals	(82,718,189)	-	-	-
Deposits	214,573,924	-	-	-
Dividends	188,949	-	-	-
	132,044,684	**-**	**-**	**-**
Capricorn Corporate Fund				

	Group		Company	
	12 months ended 30 June 2021 N$	16 months ended 30 June 2020 N$	12 months ended 30 June 2021 N$	16 months ended 30 June 2020 N$
Capricorn Corporate Fund				
Opening balance	7,948,198	43,293,027	7,948,198	43,293,027
Withdrawals	(45,380,700)	(37,292,211)	(45,380,700)	(37,292,211)
Deposits	47,161,000	-	47,161,000	-
Dividends	274,177	1,947,382	274,177	1,947,382
	10,002,675	**7,948,198**	**10,002,675**	**7,948,198**
Old Mutual Corporate Fund				
Opening balance	67,237,556	61,491,115	67,237,556	61,491,115
Withdrawals	(52,071,001)	-	(52,071,001)	-
Deposits	-	-	-	-
Dividends	2,642,367	5,746,441	2,642,367	5,746,441
	17,808,922	**67,237,556**	**17,808,922**	**67,237,556**
Split between non-current and current portions				
Current assets	**159,856,281**	**115,096,827**	**27,811,598**	**75,185,754**

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

Fair value information
Refer note 37 Fair value information for details of valuation policies and processes.

Investments at fair value are classified as level 2 financial instruments. Level 2 financial instruments are valued at prices relative to prices in the market.

No transfers of financial instruments have been made between fair value hierarchy levels during the year ended 30 June 2021.

Risk exposure
The investments held by the Group expose it to various risks, including credit risk, currency risk, interest rate risk and price risk. Refer to note 36 Financial instruments and risk management for details of risk exposure and the processes and policies adopted to mitigate these risks.

11. FINANCE LEASE RECEIVABLES

	Group		Company	
	12 months ended 30 June 2021 N$	16 months ended 30 June 2020 N$	12 months ended 30 June 2021 N$	16 months ended 30 June 2020 N$
Gross investment in the lease due - within one year	4,213	110,338	-	-
	4,213	110,338	-	-
less: Unearned finance income	(125)	(7,175)	-	-
	4,088	**103,163**	-	-
Present value of minimum lease payments due - within one year	4,088	103,163	-	-
Split between non-current and current portions				
Current assets	4,088	103,163	-	-

The Group entered into finance leasing arrangements for certain PABX equipment. The average term of finance leases entered into is five years. The interest inherent in the leases are 15.25%

Exposure to credit risk

Finance lease receivables inherently exposes the group to credit risk, being the risk that the Group will incur financial loss if counterparties fail to make payments as they fall due.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (CONTINUED)

11. FINANCE LEASE RECEIVABLES (CONTINUED)

Financial lease assets were collectively assessed for impairment by analysing historic default of payment. The Group only deals with reputable counterparties with consistent payment histories and the equipment is held as collateral for non-payment. Management did not consider finance lease assets to be impaired at year end as the credit risk has not increased significantly since initial recognition and the expected losses calculated were immaterial. Finance lease assets will be assessed for impairment on an annual basis.

Finance lease receivables are subject to the impairment provisions of IFRS 9 Financial Instruments, which requires a loss allowance to be recognised for all exposures to credit risk. The loss allowance for finance lease receivables is calculated based on twelve month expected losses if the credit risk has not increased significantly since initial recognition. In cases where the credit risk has increased significantly since initial recognition, the loss allowance is calculated based on lifetime expected credit losses. The loss allowance is updated to either twelve month or lifetime expected credit losses at each reporting date based on changes in the credit risk since initial recognition. If a lease is considered to have a low credit risk at the reporting date, then it is assumed that the credit risk has not increased significantly since initial recognition. On the other hand, if a lease is in arrears more than 90 days, then it is assumed that there has been a significant increase in credit risk since initial recognition.

Credit loss allowances

The following tables set out the carrying amount, loss allowance and measurement basis of expected credit losses for finance lease receivables by credit rating grade:

Group 2021					
Instrument	**Internal credit rating**	**Basis of loss allowance**	**Gross Carrying amount N$**	**Loss allowance N$**	**Amortised cost N$**
Finance lease receivable	Performing	12m ECL	4,088	-	4,088

Group 2020					
Instrument	**Internal credit rating**	**Basis of loss allowance**	**Gross Carrying amount N$**	**Loss allowance N$**	**Amortised cost N$**
Finance lease receivable	Performing	12m ECL	103 163	-	103 163

12. CASH AND CASH EQUIVALENTS

	Group		Company	
	12 months ended 30 June 2021 N$	**16 months ended 30 June 2020 N$**	**12 months ended 30 June 2021 N$**	**16 months ended 30 June 2020 N$**
Cash on hand	27,065	33,664	-	-
Bank Balances	11,021,961	20,931,768	10,090,103	4,941,605
Bank overdraft	(4,096,006)	(43,001)	-	-
	6,953,020	**20,922,431**	**10,090,103**	**4,941,605**

On 1 January 2020 cash and cash equivalents with a negative balance, amounting to (N$1,911,450) was acquired through a business combination.

On 1 June 2021 cash amounting to N$196 was acquired through a business combination.

The group has sufficient borrowing capacity and undrawn financing facilities to sustain its cash flow requirements for the foreseeable future.

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

The bank overdraft facility with First National Bank of Namibia Limited, bears interest at the Namibian prime overdraft rate.

The above overdraft is secured as follows:
- Cession of all debtors

All excess cash not immediately required for operations is invested in a money market fund to maximise returns.

Details of facilities available for future operating activities and commitments:

	N$
Overdraft facility	20,000,000
Contingent facility	10,000,000
PACS collection facilities	120,000
First card facility	300,000
Wesbank revolving facility	2,500,000

Credit quality of cash at bank and short term deposits, excluding cash on hand

The credit quality of cash at bank and short term deposits, excluding cash on hand that are neither past due nor impaired can be assessed by reference to external credit ratings (if available) or by performing internal assessments of the banking institutions credibility. Credit risk exposure is managed by the Group through dealing with well-established financial institutions with high credit ratings.

While cash and cash equivalents are also subject to the impairment requirements of IFRS 9, the identified impairment loss was immaterial.

Exposure to currency risk

Refer to note 36 Financial instruments and financial risk management for details of currency risk management for cash and cash equivalents.

13. SHARE CAPITAL

	Group		Company	
	12 months ended 30 June 2021 N$	**16 months ended 30 June 2020 N$**	**12 months ended 30 June 2021 N$**	**16 months ended 30 June 2020 N$**
Reconciliation of number of shares issued:				
Reported as at 01 March	47,385,623	28,710,692	48,723,123	28,710,692
Ordinary shares issued on 1 January 2020		20,012,431	-	20,012,431
Cross-shareholding	1,337,500	(1,337,500)	-	-
	48,723,123	**47,385,623**	**48,723,123**	**48,723,123**
Issued				
Ordinary shares at N$0.01	487,231	473,856	487,231	487,231
Share premium	500,187,472	486,437,972	500,187,472	500,187,472
	500,674,703	**486,911,828**	**500,674,703**	**500,674,703**

On 1 January 2020 a share swap transaction was concluded, resulting in the issuance of 20,012,431 ordinary shares, bringing the total shares in issue to 48,723,123. In the prior year the cross-holding of 1,337,500 shares held by the subsidiary in the holding company resulted in a decrease of consolidated shares in issue to 47,385,623 shares.

Paratus Telecommunications (Proprietary) Limited sold the crossholding shares (1,337,500 shares) on 1 October 2020, which increased the consolidated shares in issue to 48,723,123.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (CONTINUED)

14. BORROWINGS

	Group		Company	
	12 months ended 30 June 2021 N$	16 months ended 30 June 2020 N$	12 months ended 30 June 2021 N$	16 months ended 30 June 2020 N$
Held at amortised cost				
Secured				
Wesbank loans [1]	-	257,441	-	-
Development Bank of Namibia [2]	-	79,626,772	-	-
	-	**79,884,213**	**-**	**-**
Unsecured				
Three-year Senior Unsecured Floating Rate Notes [3]	175,416,543	-	175,416,543	-
Five-year Senior Unsecured Floating Rate Notes [4]	25,061,732	-	25,061,732	-
	200,478,275	**-**	**200,478,275**	**-**

1 Instalment sales agreements are payable in monthly instalments of N$41,932, bears interest at variable interest rates (6.75% to 8.75%) per annum and is secured by assets with a carrying amount of N$215,766. This debt was settled in full at year-end.

2 Loan in favour of the Development Bank of Namibia, bearing interest at 7.75% per annum and is repayable in monthly instalments of N$1,592,710. This debt was settled in full at year-end.

3 The Three-year Unsecured Floating Rate Notes amounting to N$175 million are due on 18 June 2024 at no premium. These notes carry interest at a three month ZAR-JIBAR-SAFEX rate plus 300 basis points.

4 The Five-year Unsecured Floating Rate Notes amounting to N$25 million are due on 18 June 2026 at no premium. These notes carry interest at a three month ZAR-JIBAR-SAFEX rate plus 325 basis points.

The above notes are subject to the following covenant ratios:

	Group		Company	
	12 months ended 30 June 2021 N$	16 months ended 30 June 2020 N$	12 months ended 30 June 2021 N$	16 months ended 30 June 2020 N$
Net Debt (Total debt less cash)/ EBITDA multiple not more than 3.5 times	1.87	1.31		
EBITDA interest cover multiple not less than 2.5 times	15.32	13.70		
Split between non-current and current portions				
Non-current liabilities	200,000,000	64,889,735	200,000,000	-
Current liabilities	478,275	14,994,478	478,275	-
	200,478,275	**79,884,213**	**200,478,275**	**-**

15. CONTRACT LIABILITIES

	Group		Company	
	12 months ended 30 June 2021 N$	16 months ended 30 June 2020 N$	12 months ended 30 June 2021 N$	16 months ended 30 June 2020 N$
Summary of contract liabilities				
Long term portion of income received in advance	88,444,920	79,480,705	-	-
Short term portion of income received in advance	9,216,668	8,831,084	-	-
	97,661,588	**88,311,789**	**-**	**-**
Reconciliation of contract liabilities				
Opening balance	88,311,789	78,774,190	-	-
Revenue recognised on delivery of goods/services previously paid for	(10,224,766)	(15,616,553)	-	-
Payments received in advance of delivery of performance obligations	19,574,565	25,154,152	-	-
	97,661,588	**88,311,789**	**-**	**-**

Income received in advance mainly relates to revenue billed in advance for the Company's ITC services which includes income in advance for the Indefeasible-Right-of-Use which is amortised over a period of 20 years and other advanced billings which are amortised over a period of 1 year.

16. DEFERRED TAXATION

	Group		Company	
	12 months ended 30 June 2021 N$	16 months ended 30 June 2020 N$	12 months ended 30 June 2021 N$	16 months ended 30 June 2020 N$
Deferred taxation liability	(23,697,735)	(10,425,730)	-	-
Reconciliation of deferred taxation assets / (liabilities)				
At beginning of the year	(10,425,730)	-	-	-
Deferred tax acquired through business combination	-	(17,036,426)	-	-
(Deductible)/Taxable temporary difference movement on property, plant and equipment	(20,752,126)	19,764,919	-	-
Taxable temporary difference movement on intangible assets	46,429	211,730	-	-
(Deductible)/Taxable temporary difference movement on prepaid expenses	(150 305)	190 916	-	-
Deductible temporary difference movement on unrealised foreign exchange gains / losses	(21,537)	(224,550)	-	-
Taxable/(Deductible) temporary difference movement on provisions	129,210	(418,563)	-	-
Taxable temporary difference movement on income received in advance	2,991,936	1,077,383	-	-
Deductible temporary difference movement on deposits by customers	(2,620)	(2,508)	-	-
Deductible temporary difference movement on right of use assets	(644,404)	(13,989,822)	-	-
Taxable temporary difference movement on lease liability	799,086	-	-	-
Tax loss available for set-off against taxable future taxable income movement	4,332,326	(13,989,822)	-	-
Unused tax losses not recognised as deferred tax assets	-	1,191	-	-
	(23,697,735)	**(10,425,730)**	**-**	**-**

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (CONTINUED)

17. TRADE AND OTHER PAYABLES

	Group		Company	
	12 months ended 30 June 2021 N$	16 months ended 30 June 2020 N$	12 months ended 30 June 2021 N$	16 months ended 30 June 2020 N$
Financial instruments:				
Trade payables	26,437,536	18,680,474	678,458	1,947
Leave pay accrual	4,549,020	4,715,574	-	-
Salary accruals	2,717,786	2,551,172	-	-
Deposits received	57,873	66,060	-	-
Non-financial instruments:				
VAT	115,813	1,029,882	-	-
	33,878,028	**27,043,162**	**678,458**	**1,947**
Financial instrument and non-financial instrument components of trade and other payables				
At amortised cost	33,762,215	26,013,280	678,458	1,947
Non-financial instruments	115,813	1,029,882	-	-
	33,878,028	**27,043,162**	**678,458**	**1,947**

Exposure to currency risk
Refer to note 36 Financial instruments and financial risk management for details of currency risk management for trade payables.

Fair value of trade and other payables
The fair value of trade and other payables approximate their carrying amounts.

18. PROVISIONS

Reconciliation of provisions - 2021

Group	Opening balance N$	Additions N$	Utilised during the year N$	Total N$
Provision: CRAN regulatory levy	117,955	1,748,979	-	**1,866,934**
Provision: Audit fees	957,660	727,923	(1,216,533)	**469,050**
Salary provisions	4,573,060	7,647,707	(5,696,016)	**6,524,751**
	5,648,675	**10,124,609**	**(6,912,549)**	**8,860,735**

Reconciliation of provisions - 2020

Group	Acquired through business combination N$	Additions N$	Utilised during the year N$	Total N$
Provision: CRAN regulatory levy	117,955	-	-	**117,955**
Provision: Audit fees	196,190	919,870	(158,400)	**957,660**
Salary provisions	1,829,937	4,038,294	(1,295,171)	**4,573,060**
	2,144,082	**4,958,164**	**(1,453,571)**	**5,648,675**

Reconciliation of provisions - 2021

Company	Opening balance N$	Additions N$	Utilised during the year N$	Total N$
Provision: Audit fees	**-**	**114,409**	**-**	**114,409**

Every licensed telecommunications company in Namibia was subject to a universal service levy payable to Communications Regulatory Authority of Namibia ("CRAN"). In instances where a licensee held any combination of licenses, such licensee may calculate the levy based on its total annual turnover from the aggregate revenue generated from the combined licenses.

A provision for audit fees is created based on the expected fees to be paid for the services rendered. Salary provisions include provision for bonuses to the amount of N$5,908,026 (2020: N$4,046,279); and provision for severance pay to the amount of N$616,726 (2020: N$526,781).

The amount recognised as a provision is the best estimate of the expenditure required to settle the present obligation at the balance sheet date, that is, the amount that the Company would rationally pay to settle the obligation at the balance sheet date.

19. DIVIDEND PAYABLE

Reconciliation of deferred taxation assets / (liabilities)	Group		Company	
	12 months ended 30 June 2021 N$	16 months ended 30 June 2020 N$	12 months ended 30 June 2021 N$	16 months ended 30 June 2020 N$
Opening balance 01 July / (01 March)	4,738,562	-	4,872,312	-
Dividends declared	9,744,625	4,872,312	9,744,625	4,872,312
Crossholding	133,750	(133,750)	-	-
Dividends paid out	(14,578,636)	-	(14,578,636)	-
Closing balance	**38,301**	**4,738,562**	**38,301**	**4,872,312**

The Group and Company's dividend policy is to consider an interim and a final dividend in respect of each financial year. At its discretion, the Board may consider a special dividend, where appropriate. Depending on the perceived need to retain funds for expansion or operating purposes, the Board may pass on the payment of dividends. A dividend policy was adopted that provides for a dividend pay-out of not more than 50% of profits after taxation.

A final dividend for the 2020 financial year of 10 cents per ordinary share was declared on 22 September 2020 and paid on 13 November 2020.

An interim dividend for the 2021 financial year of 10 cents per ordinary share was declared on 18 March 2021 and paid on 14 May 2021. On 21 September 2021 the directors declared a final dividend of 10 cents per ordinary share for the 2021 financial year amounting to N$4,872,312.

The total dividends for the 2021 financial year amounts to N$9,744,625 (2020: N$4,872,312).

The cross-holding of 1,337,500 shares held by the subsidiary in the holding company resulted in a decrease of consolidated dividends payable. The consolidated dividends payable amounts to N$38,301 (2020: N$4,738,562).

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (CONTINUED)

20. REVENUE

	Group		Company	
	12 months ended 30 June 2021 N$	16 months ended 30 June 2020 N$	12 months ended 30 June 2021 N$	16 months ended 30 June 2020 N$
Disaggregation of revenue from contracts with customers				
Revenue from contracts with customers is generated from the provision of ICT services to customers.				
The company disaggregates revenue from customers as follows:				
Timing of revenue recognition				
At a point in time				
Once off revenue	-	18,850,328	-	-
Cloud	4,451	-	-	-
Connectivity	7,002,014	-	-	-
Local Area Network	23,745,587	-	-	-
Security	81,056	-	-	-
	30,833,108	18,850,328	-	-
Over time				
Recurring revenue	-	145,496,592	-	-
Cloud	14,484,647	-	-	-
Connectivity	265,293,739	-	-	-
Local Area Network	11,487,753	-	-	-
Security	39,961	-	-	-
Voice	15,563,723	-	-	-
Discount allowed	(1,192,729)	(8,772)	-	-
	305,677,094	145,487,820	-	-
Total revenue from contracts with customers	**336,510,202**	**164,338,148**	**-**	**-**
During the prior financial period revenue was only split up between once-off and recurring revenue.				
Revenue other than through contracts with customers	4,050,618	9,052,815	9,416,544	7,693,822
Total revenue	**340,560,820**	**173,390,963**	**9,416,544**	**7,693,822**

21. COST OF SALES

	Group		Company	
	12 months ended 30 June 2021 N$	16 months ended 30 June 2020 N$	12 months ended 30 June 2021 N$	16 months ended 30 June 2020 N$
Discount received	(80,004)	(20,513)	-	-
Rendering of services	125,585,170	63,304,242	-	-
Stock purchases price variances	70,668	42,067	-	-
Stock adjustments	248,575	525,630	-	-
Depreciation on core network assets (refer note 24)	34,372,546	14,239,190	-	-
	160,196,955	**78,090,616**	**-**	**-**

22. OTHER OPERATING INCOME

	Group		Company	
	12 months ended 30 June 2021 N$	16 months ended 30 June 2020 N$	12 months ended 30 June 2021 N$	16 months ended 30 June 2020 N$
Administration and management fees received	26,413	14,762	-	-
Bad debts recovered	50,368	261,418	-	-
Sundry income	387,071	6,484	-	-
	463,852	**282,664**	**-**	**-**

23. OTHER OPERATING GAINS (LOSSES)

	Group		Company	
	12 months ended 30 June 2021 N$	16 months ended 30 June 2020 N$	12 months ended 30 June 2021 N$	16 months ended 30 June 2020 N$
Gains (losses) on disposals, scrapings and settlements				
Property, plant and equipment (refer note 3)	84,918	8,070	-	-
Right-of-use assets - lease modification (refer note 4)	-	499,568	-	-
Profit on disposal of shares	882,750	-	-	-
	967,668	**507,638**	**-**	**-**
Investment in associate				
Deemed profit on sale of associate (refer note 6)	-	923,021	-	-
Foreign exchange gains / (losses)				
Net foreign exchange gains / (losses)	(1,006,681)	2,127,955	-	-
Total other operating gains / (losses)	**(39,013)**	**3,558,614**	**-**	**-**

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (CONTINUED)

24. OPERATING PROFIT (LOSS)

	Group		Company	
	12 months ended 30 June 2021 N$	16 months ended 30 June 2020 N$	12 months ended 30 June 2021 N$	16 months ended 30 June 2020 N$
Operating profit for the period is stated after charging (crediting) the following, amongst others:				
Auditor's remuneration - external **Audit fees**				
Audit fees - PWC	857,120	877,586	224,540	116,116
Consulting fees - PWC	249,764	863,650	34,500	688,385
Training - PWC	8,435	4,435	-	-
	1,115,319	**1,745,671**	**295,040**	**804,501**
Remuneration, other than to employees				
Administration and management fees	-	339,250	-	339,250
Consulting and professional services	4,491,952	3,849,289	665,261	1,560,025
Secretarial services	573,722	709,157	285,856	485,629
Sponsor retainer	30,840	30,000	30,840	30,000
	5,096,514	**4,927,696**	**981,957**	**2,414,902**
Directors remuneration				
Non-executive directors fees	893,846	1,277,500	-	812,000
Employee costs				
Salaries, wages, bonuses and other benefits	76,012,251	37,020,844	-	-
Leases				
Operating lease charges[5]	412,536	113,173	-	-
Depreciation and amortisation				
Depreciation of property, plant and equipment (refer note 3)	38,568,908	16,269,281	-	-
Depreciation of right-of-use assets (refer note 4)	880,282	600,147	-	-
Amortisation of intangible assets (refer note 5)	6,635,797	3,177,181	-	-
Total depreciation and amortisation	**46,084,987**	**20,046,609**	**-**	**-**
Less: Depreciation and amortisation included in cost of sales (refer note 21)	(34,372,546)	(14,239,190)	-	-
Total depreciation and amortisation expensed	**11,712,441**	**5,807,419**	**-**	**-**

	Group		Company	
	12 months ended 30 June 2021 N$	16 months ended 30 June 2020 N$	12 months ended 30 June 2021 N$	16 months ended 30 June 2020 N$
Expenses by nature				
The total marketing expenses, general and administrative expenses, maintenance expenses and other operating expenses are analysed by nature as follows:				
Advertising	7,223,924	4,219,324	-	20,000
Auditor's remuneration	1,115,319	1,745,671	259,040	804,501
Bad debts	907,201	279,309	-	-
Depreciation, amortisation and impairment	11,712,441	5,807,419	-	-
Directors remuneration	893,846	1,277,500	-	812,000
Employee costs	76,012,251	37,020,844	-	-
Insurance	3,071,964	1,672,902	-	-
License fees	11,247,272	5,028,315	-	-
Motor vehicle expenses	1,499,471	753,290	-	-
Operating lease charges	412,536	113,173	-	-
Other expenses	11,230,769	6,849,902	113,488	420,149
Remuneration, other than to employees	5,096,514	4,927,696	981,957	2,414,902
Telephone	1,159,788	623,241	-	-
Travelling	848,773	384,435	-	20,889
	132,432,069	**70,703,021**	**1,354,485**	**4,492,441**

Payments associated with short-term leases and leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less. Low-value assets comprise IT equipment.

25. INVESTMENT INCOME

	Group		Company	
	12 months ended 30 June 2021 N$	16 months ended 30 June 2020 N$	12 months ended 30 June 2021 N$	16 months ended 30 June 2020 N$
Interest income **Investments in financial assets:**				
Bank and cash	7,013	17,150	-	-
Finance lease receivables	7,313	11,972	-	-
Loans to group companies:				
Related parties	42,213	61,662	478,275	-
Total investment income	**56,539**	**90,784**	**478,275**	**-**

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (CONTINUED)

26. FINANCE COSTS

	Group		Company	
	12 months ended 30 June 2021 N$	16 months ended 30 June 2020 N$	12 months ended 30 June 2021 N$	16 months ended 30 June 2020 N$
Trade and other payables	-	279		-
Finance leases	14,714	18,971	-	-
Bank overdraft	9,509	6,073	-	1
Bank loan	5,511,777	3,824,849	-	-
Lease liabilities	150,663	174,743	-	-
Domestic Medium Term Notes	478,275	-	478,275	-
Total finance costs	**6,164,938**	**4,024,915**	**478,275**	**1**

27. TAXATION

	Group		Company	
	12 months ended 30 June 2021 N$	16 months ended 30 June 2020 N$	12 months ended 30 June 2021 N$	16 months ended 30 June 2020 N$
Major components of the tax expense				
Current				
Local income tax - current period	-	-	-	-
Deferred				
Property, plant and equipment	20,752,125	19,764,919	-	-
Intangible assets	(46,429)	211,730	-	-
Prepaid expenses	150,305	190,916	-	-
Unrealised foreign gains / (losses)	21,537	(224,550)	-	-
Provisions	(129,210)	(418,563)	-	-
Income received in advance	(2,991,936)	1,077,383	-	-
Deposits by customers	2,620	(2,508)	-	-
Right-of use assets	644,405	-	-	-
Lease liability	(799,086)	-	-	-
Taxation losses utilised	(4,332,326)	(13,989,822)	-	-
Unused tax losses not recognised as deferred tax assets	-	1,191	-	-
Consolidation adjustment - at acquisition	-	(869,130)	-	-
	13,272,005	**5,741,566**	**-**	-
Normal taxation on other comprehensive income				
Current tax through other comprehensive income	-	934,400		
Total income taxation expense	**13,272,005**	**6,675,966**		

	Group		Company	
	12 months ended 30 June 2021 N$	16 months ended 30 June 2020 N$	12 months ended 30 June 2021 N$	16 months ended 30 June 2020 N$
Reconciliation of the tax expense				
Reconciliation between accounting profit and tax expense				
Profit before taxation	42,248,236	31,167,354	8,062,059	4,124,401
Other comprehensive income	-	2,920,000	-	-
Tax at the applicable tax rate of 32% (2020: 32%)	13,519,436	10,907,954	2,579,859	1,319,809
Tax effect of adjustments on taxable income				
Dividends received	(1,296,198)	(2,896,901)	(3,013,294)	(2,462,023)
Expenses not deductible (no taxable income)	433,435	1,437,581	433,435	1,437,581
Income from equity accounted investments	-	(2,132,122)	-	-
Deemed profit on sale of investment in associate (refer note 6)	-	(295,367)	-	(295,367)
Capital profit on sale of fixed assets	(12,452)	(1,577)	-	-
Fines and penalties	618	3,445	-	-
Donations	12,000	7,356	-	-
Depreciation on right-of-use asset	-	192,047	-	-
Interest on lease liability	-	55,918	-	-
Payments on lease liability	-	(261,704)	-	-
Gain on lease modification	-	(159,862)	-	-
Amortisation of intangible assets resulting from business combination	1,102,813	688,328	-	-
Profit on sale of shares resulting from business combination	(282,480)	-	-	-
Consolidation adjustment - at acquisition	-	(869,130)	-	-
Prior period adjustment	(205,167)	-	-	-
	13,272,005	**6,675,966**	**-**	**-**
Effective taxation rate	**31.41%**	**19.58%**	**0.00%**	**0.00%**

No provision has been made for 2021 taxation of Paratus Namibia Holdings Limited, as the Company has no taxable income. At 30 June 2021 the Group and Company have combined income taxation losses available for set off against future taxable income amounting to N$21,890,341 (2020: N$8,351,824).

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (CONTINUED)

28. EARNINGS PER SHARE

	Group	
	12 months ended 30 June 2021	16 months ended 30 June 2020
Shares in issue		
Shares in issue		
Total number of shares in issue	48,723,123	47,385,623
Weighted number of shares in issue	48,386,000	35,675,523
Net asset value per share (cents per share)	1,129.77	1,091.64
Listed market price per share (cents per share)	1,200.00	1,100.00
Premium to net asset value	6.22%	0.77%
Capital commitments (including approved but not contracted) (N$)	318,800,000	323,000,000
Market capitalisation (N$)	584,677,476	535,954,353

On 1 January 2020 a share swap transaction was concluded, resulting in the issuance of 20,012,431 ordinary shares, bringing the total shares in issue to 48,723,123. In the prior year the cross-holding of 1,337,500 shares held by the subsidiary in the holding company resulted in a decrease of consolidated shares in issue to 47,385,623 shares.

Paratus Telecommunications (Proprietary) Limited sold the crossholding shares (1,337,500 shares) on 1 October 2020, which increased the consolidated shares in issue to 48,723,123.

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

	Group	
	12 months ended 30 June 2021 N$	16 months ended 30 June 2020 N$
Earnings		
Profit for the period attributable to the equity holders of the parent	28,937,115	25,425,789
Headline adjustments:		
After taxation profit on sale of property, plant and equipment	(57,745)	1,304
Gain on lease modification	-	(499,568)
Gain on deemed disposal of investment in associate	-	(923,021)
Gain on disposal of shares	(882,750)	-
Headline earnings	**27,996,620**	**24,004,503**

	Group	
	Cents	Cents
Basic earnings per ordinary share (cents)	59.80	71.27
Headline earnings per ordinary share (cents)	57.86	67.29
Dividend per share (cents)	20.00	10.00

29. CASH GENERATED FROM OPERATIONS

	Group		Company	
	12 months ended 30 June 2021 N$	16 months ended 30 June 2020 N$	12 months ended 30 June 2021 N$	16 months ended 30 June 2020 N$
Profit before taxation	42,248,236	31,167,355	8,062,059	4,124,401
Adjusted for:				
Depreciation and amortisation	45,204,705	19,446,462	-	-
Depreciation - right-of-use asset	880,282	600,147	-	-
Unrealised losses on foreign exchange	1,625,435	1,028,516	-	-
Gains on disposal, scrapping and settlements of property, plant and equipment	(84,918)	(8,070)	-	-
Gains on lease modification	-	(499,568)	-	-
Gain on deemed disposal of investment in associate	-	(923,021)	-	(923,021)
Gain on sale of shares	(882,750)	-	-	-
Dividends received	(4,050,618)	(9,052,815)	(9,416,544)	(7,693,822)
Income from equity accounted investments	-	(6,662,882)	-	-
Interest received	(56,539)	(90,784)	-	-
Finance costs	6,014,275	3,850,172	-	1
Finance costs - lease liability	150,663	174,743	-	-
Movement in provisions	3,212,060	3,504,593	114,409	-
Changes in working capital:				
Inventories	(5,020,061)	2,633,801	-	-
Trade and other receivables	(9,568,099)	14,963,465	-	-
Prepayments	(671,017)	(7,055,149)	-	-
Trade and other payables	6,834,865	8,575,475	676,508	(70,999)
Contract liabilities	9,349,799	(955,967)	-	-
	95,186,318	**60,696,473**	**(563,568)**	**(4,563,440)**

30. TAX PAID

	Group		Company	
	12 months ended 30 June 2021 N$	16 months ended 30 June 2020 N$	12 months ended 30 June 2021 N$	16 months ended 30 June 2020 N$
Balance at beginning of the period	1,972,681	-	-	-
Adjustments in respect of businesses acquired during the period	-	4,654,415	-	-
Current taxation for the period recognised in profit or loss	-	(2,835,369)	-	-
Balance at end of the period	(3,509,125)	(1,972,681)	-	-
	(1,536,444)	**(153,635)**	**-**	-

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (CONTINUED)

31. MOVEMENTS IN INVESTMENTS

	Group		Company	
	12 months ended 30 June 2021 N$	16 months ended 30 June 2020 N$	12 months ended 30 June 2021 N$	16 months ended 30 June 2020 N$
Fair value of assets acquired				
Investment in subsidiary - at cost	2,080,000	-	-	25,691,825
Costs directly attributable to the acquisition	-	417,620	-	417,620
	2,080,000	**417,620**	**-**	**26,109,445**
Consideration paid				
Cash - net of issue costs	**(2,080,000)**	**(417,620)**	**-**	**(26,109,445)**
Net cash outflow on acquisition of additional investments				
Cash consideration paid - net of issue costs	**(2,080,000)**	**(417,620)**	**-**	**(26,109,445)**

32. CHANGES IN LIABILITIES ARISING FROM FINANCING ACTIVITIES

Reconciliation of liabilities arising from financing activities - 2021

Group	Opening balance N$	Business combinations N$	Other non-cash movements N$	Total non-cash movements N$	Cash flows N$	Closing balance N$
Borrowings	79,884,213	-	478,275	478,275	120,115,787	200,478,275
Lease liabilities	2,412,827	-	1,273,023	1,273,023	(1,188,707)	2,497,143
Loans from related parties	-	-	-	-	266,004	266,004
Total liabilities from financing activities	**82,297,040**	**-**	**1,751,298**	**1,751,298**	**119,193,084**	**203,241,422**

Reconciliation of liabilities arising from financing activities - 2020

Group	Opening balance N$	Business combinations N$	Other non-cash movements N$	Total non-cash movements N$	Cash flows N$	Closing balance N$
Borrowings	-	86,519,754	-	-	(6,635,541)	79,884,213
Lease liabilities	-	3,721,160	(490,508)	(490,508)	(817,825)	2,412,827
Total liabilities from financing activities	**-**	**90,240,914**	**(490,508)**	**(490,508)**	**(7,453,366)**	**82,297,040**

33. COMMITMENTS AND CONTINGENCIES

	Group		Company	
	12 months ended 30 June 2021 N$	16 months ended 30 June 2020 N$	12 months ended 30 June 2021 N$	16 months ended 30 June 2020 N$
Capital commitments				
Authorised but not contracted for:				
Property and equipment	195,600,000	323,000,000	-	-
Contracted for but not yet incurred:				
Property and equipment	123,200,000	-	-	-

The capital expenditure projects are to be funded from operational cash flows, cash reserves and additional debt funding. Additional debt funding to the value of N$200 million has been raised.

For the 2022 financial year, a further N$195,600,000 investment into capital expenditure was approved by the board. This investment will mainly be earmarked for Fiber-to-the-X (FTTx) rollout and will be funded by its cash resources and cashflows from operations.

The construction of the Cable Landing Station for the Equiano sub-sea cable in Swakopmund has commenced. The facility has been completed with the internal fitout currently under way. This project was estimated to cost approximately N$38 million. The Cable Landing Station consists of the building and other terminal facilities which are required to land the Equiano Submarine Cable System. Total capital expenditure towards this project at year-end amounts to N$19,829,026.

The acquisition of the erf to construct the Tier 3 equivalent data center has been finalised. The total cost of the erf amounted to N$9,355,005. Construction has commenced. The project is expected to be completed during the third quarter of 2022 at a total cost of N$123 million. Total capital expenditure towards this project at year-end amounts to N$17,988,190.

The directors have not identified any other material commitments and contingencies for the year under review.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (CONTINUED)

34. RELATED PARTIES

	Group		Company	
	12 months ended 30 June 2021 N$	16 months ended 30 June 2020 N$	12 months ended 30 June 2021 N$	16 months ended 30 June 2020 N$
Executive directors	A. Hall S.L.v.Z. Erasmus S.I. de Bruin B.R.J. Harmse			
Non-executive directors	J.J. Esterhuyse H.B. Gerdes J.N.N. Shikongo M.R. Mostert S. Birch			
Alternate director	RPK Mendelsohn			
Members of key management	A. Hall (MD) S.L.v.Z. Erasmus (Group COO) S.I. de Bruin (Group CFO) B.R.J. Harmse (Group CEO) RPK Mendelsohn (Group CTO) S.J. Geyser E.J. D'Alton G. Duvenhage C.A. van Rensburg			
Relationships				
Subsidiaries	Refer to note 6			
Related entities (common shareholder)	Paratus Group Holdings Limited - (registered in Mauritius) Paratus Telecommunications Limited - (registered in Mauritius) Sat Space Africa Limited - (registered in Mauritius) Internet Technologies Africa Limited - (registered in Mauritius) Paratus Telecommunications Limited - (registered in Zambia) Paratus Telecommunications (Proprietary) Limited - (registered in Botswana) Paratus Telecommunication (Proprietary) Limited - (registered in South Africa) Maxwell Technologies (Proprietary) Limited - (registered in South Africa) Paratus Telecom S.A. - (registered in Mozambique) Canocopy (Proprietary) Limited - (registered in Namibia) Internet Technologies Angola S.A. - (registered in Angola) Capricorn Investment Group Limited Bitstream Internet Solutions (Proprietary) Limited			
Investment manager	Addessus Investments (Proprietary) Limited (contract ended 1 January 2020)			
Related entities (common members as subsidiary)	Misty Bay Investments One Hundred and Forty Close Corporation			

34. RELATED PARTIES (CONTINUED)

	Group		Company	
	12 months ended 30 June 2021 N$	16 months ended 30 June 2020 N$	12 months ended 30 June 2021 N$	16 months ended 30 June 2020 N$
Related party balances				
Investment in subsidiaries				
Paratus Telecommunications (Proprietary) Limited Namibia	-	-	427,644,393	427,644,393
Loan accounts - Owing (to) by related parties				
Paratus Telecommunications (Proprietary) Limited (Namibia)	-	-	236,978,275	-
Canocopy (Proprietary) Limited	216,372	820,231	-	-
Misty Bay Investments One Hundred and Forty Close Corporation	(266,004)	-	-	-
Amounts included in trade receivables regarding related parties				
Internet Technologies Angola S.A. (registered in Angola)	1,432,587	23,108	-	-
Paratus Telecommunications (Proprietary) Limited - (registered in Botswana)	-	13,831	-	-
Canocopy (Proprietary) Limited - (registered in Namibia)	97,292	145,360	-	-
Paratus Telecommunications (Proprietary) Limited - South Africa	54,335	141,589	-	-
Paratus Telecommunications Limited - Mauritius	4,340,372	-	-	-
Paratus Telecommunications Limited - Zambia	55,314	-	-	-
Paratus Telecom S.A. - Mozambique	16,717	-	-	-
Amounts included in trade payables regarding related parties				
Paratus Telecommunications Limited - Mauritius	-	(906,698)	-	-
Canocopy (Proprietary) Limited	48,034	(77,069)	-	-
Paratus Telecommunications (Proprietary) Limited - Botswana	139,310	-	-	-
Paratus Telecommunications (Proprietary) Limited - South Africa	488,727	-	-	-
Related party transactions				
Revenue received from related parties				
Internet Technologies Angola S.A.	1,336,642	2,527,601	-	-
Paratus Telecommunications (Proprietary) Limited - Botswana	254,009	651,409	-	-
Canocopy (Proprietary) Limited	718,842	820,511	-	-
Paratus Telecommunications (Proprietary) Limited - South Africa	199,665	215,749	-	-
Paratus Telecommunications Limited - Mauritius	9,062,215	12,187,486	-	-
Paratus Telecommunications Limited - Zambia	727,250	678,056	-	-
Paratus Telecom S.A. - Mozambique	33,649	-	-	-
Interest received from related parties				
Canocopy (Proprietary) Limited	42,213	173,253	-	-

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (CONTINUED)

34. RELATED PARTIES (CONTINUED)

	Group		Company	
	12 months ended 30 June 2021 N$	16 months ended 30 June 2020 N$	12 months ended 30 June 2021 N$	16 months ended 30 June 2020 N$
Purchases from related parties				
Paratus Telecommunications (Proprietary) Limited - Botswana	774,291	774,280	-	-
Canocopy (Proprietary) Limited	517,557	675,791	-	-
Paratus Telecommunications (Proprietary) Limited - South Africa	5,146,078	4,455,029	-	-
Paratus Telecommunications Limited - Mauritius	13,015,718	14,961,137	-	-
Paratus Telecommunications Limited - Zambia	692,488	1,482,096	-	-
Sat Space Africa Limited - Mauritius	-	1,090,442	-	-
Admin fees paid to related parties				
Paratus Telecommunications (Pty)Ltd	-	368,750	-	368,750
Addessus Investments (Pty) Ltd (trading as Cirrus Capital)	-	626,283	-	626,283
Compensation to directors				
Short-term employee benefits	6,493,223	3,527,250	-	-
Non-executive director's remuneration (refer to REMCO report for detail)	893,846	1,277,500	-	812,000
	% shares in issue	**% shares in issue**	**% shares in issue**	**% shares in issue**
Directors' interest in shares				
Total shareholding refer to directors' report for detail	33.97%	34.66%	33.97%	34.66%

35. DIRECTOR'S EMOLUMENTS

Group

Executive

2021	**Total Emoluments N$**
Directors	6,493,223

2020	**Total Emoluments N$**
Directors	3,527,250

Group non-executive

2021	**Total Committees fees N$**
Directors	893,846

2020	**Total Committees fees N$**
Directors	1,277,500

Company non-executive

2021	**Total Committees fees N$**
Directors	-

2020	**Total Committees fees N$**
Directors	812,000

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (CONTINUED)

36. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

Categories of financial instruments

Categories of financial assets

Group 2021	Notes	Fair value through profit or loss N$	Amortised cost N$	Total N$
Loans to related parties	7	-	216,372	**216,372**
Investments at fair value	10	159,856,281	-	**159,856,281**
Trade and other receivables	9	-	22,958,041	**22,958,041**
Cash and cash equivalents	12	-	11,049,026	**11,049,026**
		159,856,281	**34,223,439**	**194,079,720**

Group 2020	Notes	Fair value through profit or loss N$	Amortised cost N$	Total N$
Loans to related parties	7	-	820,231	**820,231**
Investments at fair value	10	115,096,827	-	**115,096,827**
Trade and other receivables	9	-	20,372,807	**20,372,807**
Cash and cash equivalents	12	-	20,965,432	**20,965,432**
		115,096,827	**42,158,470**	**157,255,297**

Company 2021	Notes	Fair value through profit or loss N$	Amortised cost N$	Total N$
Loans to related parties	7	-	236,978,275	**236,978,275**
Investments at fair value	10	27,811,598	-	**27,811,598**
Cash and cash equivalents	12	-	10,090,103	**10,090,103**
		27,811,598	**247,068,378**	**274,879,976**

Company 2020	Notes	Fair value through profit or loss N$	Amortised cost N$	Total N$
Investments at fair value	10	75,185,754	-	**75,185,754**
Cash and cash equivalents	12	-	4,941,605	**4,941,605**
		75,185,754	**4,941,605**	**80,127,359**

Categories of financial liabilities

Group 2021	Notes	Amortised cost N$	Total N$
Trade and other payables	17	33,762,214	**33,762,214**
Loans from related parties	7	266,004	**266,004**
Borrowings	14	200,478,275	**200,478,275**
Lease obligations	4	2,497,143	**2,497,143**
Bank overdraft	12	4,096,006	**4,096,006**
		241,099,642	**241,099,642**

Group 2020	Notes	Amortised cost N$	Total N$
Trade and other payables	17	26,013,280	**26,013,280**
Borrowings	14	79,884,213	**79,884,213**
Lease obligations	4	2,412,827	**2,412,827**
Bank overdraft	12	43,001	**43,001**
		108,353,321	**108,353,321**

Company 2021	Notes	Amortised cost N$	Total N$
Trade and other payables	17	678,457	**678,457**
Borrowings	14	200,478,275	**200,478,275**
		201,156,732	**201,156,732**

Company 2020	Notes	Amortised cost N$	Total N$
Trade and other payables	17	**1,947**	**1,947**

Pre tax gains and losses on financial instruments

Gains and losses on financial assets

Group 2021	Notes	Fair value through profit or loss N$	Amortised cost N$	Total N$
Recognised in profit or loss:				
Interest income	25	-	56,539	**56,539**
Dividend income	20	4,050,618	-	**4,050,618**
Net gains		**4,050,618**	**56,539**	**4,107,157**

Group 2020	Notes	Fair value through profit or loss N$	Amortised cost N$	Total N$
Recognised in profit or loss:				
Interest income	25	-	90,784	**90,784**
Dividend income	20	9,052,815	-	**9,052,815**
Net gains		**9,052,815**	**90,784**	**9,143,599**

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (CONTINUED)

36. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (CONTINUED)

Company 2021	Notes		Fair value through profit or loss N$	Amortised cost N$	Total N$
Recognised in profit or loss:					
Dividend income	20		**9,416,544**	**-**	**9,416,544**

Company 2020	Notes		Fair value through profit or loss N$	Amortised cost N$	Total N$
Recognised in profit or loss:					
Dividend income	20		**7,693,822**	**-**	**7,693,822**

Gains and losses on financial liabilities

Group 2021	Notes		Amortised cost N$	Total N$
Recognised in profit or loss:				
Finance costs	26		**6,164,938**	**6,164,938**

Group 2020	Notes		Amortised cost N$	Total N$
Recognised in profit or loss:				
Finance costs	26		**4,024,915**	**4,024,915**

Company 2021	Notes		Amortised cost N$	Total N$
Recognised in profit or loss:				
Finance costs	26		**478,275**	**478,275**

Company 2020	Notes		Amortised cost N$	Total N$
Recognised in profit or loss:				
Finance costs	26		1	**1**

Capital risk management
The Group's objective when managing capital (which includes share capital, borrowings, working capital and cash and cash equivalents) is to maintain a flexible capital structure that reduces the cost of capital to an acceptable level of risk and to safeguard the Group's ability to continue as a going concern while taking advantage of strategic opportunities in order to maximise stakeholder returns sustainably.

The Group manages capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain the capital structure, the Group may adjust the amount of dividends paid to the shareholders, return capital to the shareholders, repurchase shares currently issued, issue new shares, issue new debt, issue new debt to replace existing debt with different characteristics and/or sell assets to reduce debt.

The Group monitors capital by utilising a number of measures, including the gearing ratio. The gearing ratio is calculated as net borrowings (total borrowings less cash) divided by shareholders' equity. The company's targeted gearing ratio is 100% – 150%.

Another method used is the net debt to EBITDA ratio. The ratio is calculated as net borrowings (total borrowings less cash) divided by EBITDA. The ratio should not exceed 3.5 times.

EBITDA-to-interest cover ratio. The ratio is calculated as EBITDA divided by interest payments. The ratio should not be less than 2.5 times.

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

The Group and Company adopted the following capital management policies:

- Investment screening goes through a four-stage process;
- The need to raise capital in the debt and equity market is assessed with each investment opportunity;
- Proposed investment must deliver pre-defined return on investment for the investors; and
- Solvency, interest cover and liquidity requirements must be met; and
- The Group and Company further ensure that it can meet its expected capital and financing needs at all times, having regards to the business plans, forecasts and any strategic initiatives.

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

Group	
2021 Total assets : Total liabilities	2 : 1
2020 Total assets : Total liabilities	3 : 1

Company	
2021 Total assets : Total liabilities	3 : 1
2020 Total assets : Total liabilities	104 : 1

The capital structure and gearing ratio of the Group and Company at the reporting date was as follows:

	Notes	Group		Company	
		2021 N$	2020 N$	2021 N$	2020 N$
Loans from related parties	7	266,004	-	-	-
Borrowings	14	200,478,275	79,884,213	200,478,275	-
Lease liabilities	4	2,497,143	2,412,827	-	-
Trade and other payables	17	33,878,027	27,043,162	678,457	1,947
Contract liabilities	15	97,661,588	88,311,789	-	-
Provisions	18	8,860,735	5,648,675	114,409	-
Dividends payable	19	38,301	4,738,562	38,301	4,872,312
Total debt		**343,680,073**	**208,039,228**	**201,195,033**	**4,874,259**
Cash and cash equivalents	12	(6,953,020)	(20,922,431)	(10,090,103)	(4,941,605)
Money Market Funds (Investments at fair value)	10	(159,856,281)	(115,096,827)	(27,811,598)	(75,185,754)
Net debt		**176,870,773**	**72,019,970**	**163,293,332**	**(75,253,100)**
Equity		550,235,784	517,280,418	501,214,926	502,897,492

	Group		Company	
	2021	2020	2021	2020
Gearing ratio	32%	14%	33%	(15%)
Net debt / EBITDA	1.87	1.31	N/A	N/A
EBITDA-to-interest cover ratio	15.32	13.70	N/A	N/A

Financial risk management

Overview
The Group is exposed to the following risks from its use of financial instruments:
- Credit risk;
- Liquidity risk; and
- Market risk (currency risk, interest rate risk and price risk).

The Group and Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group and Company's activities.

The Group and Company audit committee oversees how management monitors compliance with the risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the Group and Company.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (CONTINUED)

36. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (CONTINUED)

Credit risk

Credit risk is the risk of financial loss to the Group and Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The valuation of the relevant financial instrument takes into account the effect of credit risk on fair value by including an appropriate adjustment for the risk taken.

The Group and Company are exposed to credit risk on loans receivable, trade and other receivables, lease receivables and cash and cash equivalents.

Credit risk for exposures other than those arising on cash and cash equivalents, are managed by making use of credit approvals, limits and monitoring. The Group and Company only deals with reputable counterparties with consistent payment histories. Each counterparty is analysed individually for creditworthiness before terms and conditions are offered. The analysis involves making use of information submitted by the counterparties as well as external bureau data (where available). Counterparty credit limits are in place. The exposure to credit risk and the creditworthiness of counterparties is continuously monitored.

The Group and Company measure the loss allowance for trade receivables by applying the simplified approach which is prescribed by IFRS 9. In accordance with this approach, the loss allowance on trade receivables is determined as the lifetime expected credit losses on trade receivables.

Credit risk exposure arising on cash and cash equivalents is managed by the Group and Company through dealing with well-established financial institutions with high credit ratings and by keeping cash on hand to a relatively low level.

While cash and cash equivalents are also subject to the impairment requirements of IFRS 9, the identified impairment loss was immaterial.

In order to calculate credit loss allowances for loans receivable and lease receivables, management determine whether the loss allowances should be calculated on a 12 month or on a lifetime expected credit loss basis. This determination depends on whether there has been a significant increase in the credit risk since initial recognition. If there has been a significant increase in credit risk, then the loss allowance is calculated based on lifetime expected credit losses. If not, then the loss allowance is based on 12 month expected credit losses. This determination is made at the end of each financial period. Thus the basis of the loss allowance for a specific financial asset could change year on year.

The maximum exposure to credit risk for the Group is presented in the table below:

2021	Notes	Gross carrying amount	Credit loss allowance	Amortised cost/fair value
Loans to related parties	7	216,372	-	216,372
Investments at fair value through profit or loss	10	159,856,281	-	159,856,281
Lease receivables	11	4,088	-	4,088
Trade and other receivables	9	26,097,727	(3,139,686)	22,958,041
Cash and cash equivalents	12	11,049,026	-	11,049,026
		197,223,494	**(3,139,686)**	**194,083,808**

2020	Notes	Gross carrying amount	Credit loss allowance	Amortised cost/fair value
Loans to related parties	7	820,231	-	820,231
Investments at fair value through profit or loss	10	115,096,827	-	115,096,827
Lease receivables	11	103,163	-	103,163
Trade and other receivables	9	23,009,898	(2,637,091)	20,372,807
Cash and cash equivalents	12	20,965,432	-	20,965,432
		159,995,551	**(2,637,091)**	**157,358,460**

The maximum exposure to credit risk for the Company are presented in the table below:

2021	Notes	Gross carrying amount	Credit loss allowance	Amortised cost/fair value
Loans to related parties	7	236,978,275	-	236,978,275
Investments at fair value through profit or loss	10	27,811,598	-	27,811,598
Cash and cash equivalents	12	10,090,103	-	10,090,103
		274,879,976	**-**	**274,879,976**

2020	Notes	Gross carrying amount	Credit loss allowance	Amortised cost/fair value
Investments at fair value through profit or loss	10	75,185,754	-	75,185,754
Cash and cash equivalents	12	4,941,605	-	4,941,605
		80,127,359	**-**	**80,127,359**

Amounts are presented at amortised cost or fair value depending on the accounting treatment of the item presented. The gross carrying amount for debt instruments at fair value through other comprehensive income is equal to the fair value because the credit loss allowance does not reduce the carrying amount. The credit loss allowance is only shown for disclosure purposes. Debt instruments at fair value through profit or loss do not include a loss allowance. The fair value is therefore equal to the gross carrying amount.

Liquidity risk

The Group and Company are exposed to liquidity risk, which is the risk that the Company will encounter difficulties in meeting its obligations as they become due.

The Group and Company manage its liquidity risk by effectively managing its working capital, capital expenditure and cash flows. The financing requirements are met through a mixture of cash generated from operations and long and short term borrowings. Committed borrowing facilities are available for meeting liquidity requirements and deposits are held at central banking institutions.

Group 2021	Notes	Less than 1 year N$	2 to 5 years N$	Total contractual cashflows N$	Carrying amount N$
Loans from related parties	7	-	266,004	266,004	266,004
Borrowings	14	-	200,000,000	200,000,000	200,478,275
Lease liabilities	4	1,271,573	1,444,462	2,716,035	2,497,143
Trade and other payables	17	33,762,214	-	33,762,214	33,762,214
Dividend payable	19	38,301	-	38,301	38,301
Bank overdraft	12	4,096,006	-	4,096,006	4,096,006
		39,168,094	**201,710,466**	**240,878,560**	**241,137,943**

Group 2020	Notes	Less than 1 year N$	2 to 5 years N$	Total contractual cashflows N$	Carrying amount N$
Borrowings	14	20,661,068	74,689,665	95,350,733	79,884,213
Lease liabilities	4	1,199,423	1,459,968	2,659,391	2,412,827
Trade and other payables	17	26,013,280	-	26,013,280	26,013,280
Dividend payable	19	4,738,562	-	4,738,562	4,738,562
Bank overdraft	12	43,001	-	43,001	43,001
		52,655,334	**76,149,633**	**128,804,967**	**113,091,883**

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (CONTINUED)

36. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (CONTINUED)

Company	Notes	Less than 1 year	2 to 5 years	Total contractual cashflows	Carrying amount
2021		N$	N$	N$	N$
Trade and other payables	17	678,457	-	678,457	678,457
Dividend payable	19	38,301	-	38,301	38,301
		716,758	**-**	**716,758**	**716,758**

Company	Notes	Less than 1 year	2 to 5 years	Total contractual cashflows	Carrying amount
2020		N$	N$	N$	N$
Trade and other payables	17	1,947	-	1,947	1,947
Dividend payable	19	4,872,312	-	4,872,312	4,872,312
		4,874,259	**-**	**4,874,259**	**4,874,259**

Foreign currency risk

The Group and Company are exposed to foreign currency risk as a result of certain transactions and borrowings which are denominated in foreign currencies. Exchange rate exposures are managed within approved policy parameters utilising foreign forward exchange contracts where necessary. The foreign currencies in which the Group and Company deal primarily are US Dollars and Euros.

There have been no significant changes in the foreign currency risk management policies and processes since the prior reporting period.

Exposure in foreign currency amounts
The net carrying amounts, in foreign currency of the above exposure was as follows:

US Dollar exposure:

	Notes	Group		Company	
		2021 N$	2020 N$	2021 N$	2020 N$
Current assets:					
Trade and other receivables	9	462,125	96,513	-	-
Cash and cash equivalents	12	23,911	490,763	-	-
Current liabilities:					
Trade and other payables	17	(365,269)	(218,939)	-	-
Net US Dollar exposure		**120,767**	**368,337**	**-**	**-**
Exchange rates					
The following closing exchange rates were applied at reporting date:					
Namibia Dollar per unit of foreign currency:					
US Dollar		14.295	17.325	14.295	17.325

Foreign currency sensitivity analysis
The following information presents the sensitivity of the Group and Company to an increase or decrease in the respective currencies it is exposed to. The sensitivity rate is the rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated amounts and adjusts their translation at the reporting date. No changes were made to the methods and assumptions used in the preparation of the sensitivity analysis compared to the previous reporting period.

At 30 June 2020, if the Namibian Dollar exchange rate had been 5.000% (2020: 5.000%) higher or lower during the period, with all other variables held constant, the effect on profit or loss for the year would have been N$86,321 (2020: N$319,065).

Interest rate risk
Fluctuations in interest rates impact on the value of investments and financing activities, giving rise to interest rate risk.

The debt of the Group and Company are comprised of different instruments, which bear interest at the Namibian prime linked interest rates. Interest rates on all borrowings compare favourably with those rates available in the market.

The Group and Company policy with regards to financial assets, is to invest cash at floating rates of interest and to maintain cash reserves in short-term investments in order to maintain liquidity, while also achieving a satisfactory return for shareholders.

There have been no significant changes in the interest rate risk management policies and processes since the prior reporting period.

Interest rate profile
The interest rate profile of interest bearing financial instruments at the end of the reporting period was as follows:

Group	Notes	Average effective interest rate		Carrying amount	
		2021 %	2020 %	2021 N$	2020 N$
Variable rate instruments:					
Assets					
Loans to related parties	7	18.19%	8.00%	216,372	820,231
Investments at fair value	10	3.95%	5.44%	159,856,281	115,096,827
Finance lease receivables	11	16.47%	15.25%	4,088	103,163
				160,076,741	**116,020,221**
Liabilities					
Borrowings	14	3.75%	9.81%	(200,478,275)	(79,884,213)
Bank overdraft	12	8.06%	9.81%	(4,096,006)	(43,001)
				(204,574,281)	**(79,927,214)**
Net variable rate financial instruments				**(44,497,541)**	**36,093,007**

Company	Notes	Average effective interest rate		Carrying amount	
		2021 %	2020 %	2021 N$	2020 N$
Variable rate instruments:					
Assets					
Loans to related parties	7	3.75%	- %	236,978,275	-
Investments at fair value	10	3.95%	5.44%	27,811,598	75,185,754
				264,789,873	**75,185,754**
Liabilities					
Borrowings	14	3.75 %	- %	(200,478,275)	-
Net variable rate financial instruments				**64,311,598**	**75,185,754**
Variable rate financial assets as a percentage of total interest bearing financial assets				100.00%	100.00%
Variable rate financial liabilities as a percentage of total interest bearing financial liabilities				100.00%	100.00%

Interest rate sensitivity analysis
The following sensitivity analysis has been prepared using a sensitivity rate which is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates. All other variables remain constant. The sensitivity analysis includes only financial instruments exposed to interest rate risk which were recognised at the reporting date. No changes were made to the methods and assumptions used in the preparation of the sensitivity analysis compared to the previous reporting period.

At 30 June 2021, if the interest rate had been 1.000% per annum (2020: 1.000%) higher or lower during the period, with all other variables held constant, the effect on profit or loss for the year would have been N$444,975 (2020: N$360,930).

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (CONTINUED)

36. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (CONTINUED)

Price risk

Price risk sensitivity analysis
The Group and Company are exposed to price risk because of its investments in equity instruments which are measured at fair value. The exposure to price risk on equity investments is managed through a diversified portfolio.

There have been no significant changes in the price risk management policies and processes since the prior reporting period.

The following sensitivity analysis has been prepared using a sensitivity rate which is used when price risk internally to key management personnel and represents management's assessment of the reasonably possible change in relevant prices. All other variables remain constant. The sensitivity analysis includes only investments held at the reporting date. No changes were made to the methods and assumptions used in the preparation of the sensitivity analysis compared to the previous reporting period.

The following sensitivity analysis has been prepared using a sensitivity rate which is used when price risk internally to key management personnel and represents management's assessment of the reasonably possible change in relevant prices. All other variables remain constant. The sensitivity analysis includes only investments held at the reporting date. No changes were made to the methods and assumptions used in the preparation of the sensitivity analysis compared to the previous reporting period.

At 30 June 2021, if the price index on the investments at fair value had been 1.000% (2020: 1.000%) higher or lower during the period, with all other variables held constant, profit or loss for the year would have been N$1,598,563 (2020: N$1,150,968) higher or lower.

37. FAIR VALUE INFORMATION

Fair value hierarchy

The table below analyses assets and liabilities carried at fair value. The different levels are defined as follows:

Level 1: Quoted unadjusted prices in active markets for identical assets or liabilities that the Company can access at measurement date.

Level 2: Inputs other than quoted prices included in level 1 that are observable for the asset or liability either directly or indirectly.

Level 3: Unobservable inputs for the asset or liability.

	Notes	Level	Group		Company	
			12 months ended 30 June 2021 N$	16 months ended 30 June 2020 N$	12 months ended 30 June 2021 N$	16 months ended 30 June 2020 N$
Assets						
Non-current assets						
Intangible assets						
Paratus Brand	5	3	12,462,300	15,231,700	-	-
Telecommunications License / Network Spectrum	5	3	241,408,500	241,408,500	-	-
Free right of use (Fiber capacity - Botswana)	5	3	23,119,266	24,506,422	-	-
Customer relationship - BoFiNet	5	3	2,691,657	2,837,152	-	-
			279,681,723	**283,983,774**	**-**	**-**
Current assets						
Investments at fair value						
IJG Corporate money market solution	10	2	-	39,911,073	-	-
Cirrus Capital Money Market Fund	10	2	132,044,684	-	-	-
Capricorn Corporate fund - money market fund	10	2	10,002,675	7,948,198	10,002,675	7,948,198
Old Mutual Corporate fund - money market fund	10	2	17,808,922	67,237,556	17,808,922	67,237,556
			159,856,281	**115,096,827**	**27,811,597**	**75,185,754**
Total			**439,538,004**	**399,080,601**	**27,811,597**	**75,185,754**

Level 2 price of the Money Market Fund was the trading price at the end of each reporting period.

Level 3 price of Intangible assets was performed on valuations from unobservable inputs for assets, refer below for detail valuation techniques and inputs used.

37. FAIR VALUE INFORMATION (CONTINUED)

Intangible asset	Valuation technique	Description of valuation technique	Significant unobservable input of level 3 items	Inter-relationship between key unobservable inputs and fair value measurement
Paratus Brand	Relief from Royalty approach	Under the relief from royalty method, the value of an intangible asset is determined by reference to the value of the hypothetical royalty payments that would be saved through owning the asset, as compared to leasing the intangible asset from a third party.	Discount rates and Royalty rate based on rates in the telecommunication industry	None, the unobservable inputs are not inter-related
Telecommunications License / Network Spectrum	MEEM corroborated by market approach	The MEEM approach was used as the primary valuation methodology to value the Paratus Namibia's frequency spectrum license. The MEEM method measures the excess after-tax cash flows attributable to the intangible asset being valued after providing for the appropriate returns on other identifiable assets. The valuation results based on the MEEM was corroborated with the market approach.	Projected cash flows, discount rate and the Contributary Asset Charge (CAC)	None, the unobservable inputs are not inter-related
Free right of use (Fiber capacity - Botswana)	Replacement cost approach	Under the cost approach, the value of an intangible asset is determined based on the replacement cost of a similar asset or an asset providing similar service or utility.	Quoted price for this utility as provided by management without further independent investigation into the price provided.	None, the unobservable inputs are not inter-related
Customer relationship - BoFiNet	MEEM corroborated by market approach	The MEEM approach was used as the primary valuation methodology to value the Paratus Namibia's frequency spectrum license. The MEEM method measures the excess after-tax cash flows attributable to the intangible asset being valued after providing for the appropriate returns on other identifiable assets. The valuation results based on the MEEM was corroborated with the market approach.	Projected cash flows, discount rate and the CAC, natural churn rate on existing customer relationships and no churn on BofiNet relationship.	None, the unobservable inputs are not inter-related

38. EVENTS AFTER THE REPORTING PERIOD

Dividends declared
On 21 September 2021 the directors declared a final dividend of 10 cents per ordinary share for the 2021 financial year amounting to N$4,872,312.

Other events
The directors are not aware of any other material subsequent events after the reporting period that will have a significant impact the annual financial statements.

SHAREHOLDERS' INFORMATION

SHAREHOLDERS' INFORMATION

SHAREHOLDERS' DIARY

Financial year end: 30 June

Interim financial reporting date: 31 December

Annual general meeting: 20 January 2022

Dividend declaration dates:
The Company's dividend policy is to consider an interim and a final dividend in respect of each financial year. At its discretion, the Board may consider a special dividend, where appropriate. Depending on the perceived need to retain funds for expansion or operating purposes, the Board may pass on the payment of dividends. A dividend policy was adopted that provides for a dividend pay-out of not more than 50% of profit after taxation.

The directors declared a final dividend of 10c per ordinary share. The salient dates of the dividend declared are as follows:

Declaration date: 21 September 2021
Last date to trade "cum" the distribution: 22 October 2021
Last date to register: 25 October 2021
Record date: 29 October 2021
Payment date: 12 November 2021

2021 ANALYSIS OF SHAREHOLDERS			Number of shareholders	% of shareholders	Number of shares held	% of shares held
Size of holding						
1	-	99	8	2.1	145	-
100	-	499	61	16.8	14,304	-
500	-	999	38	10.4	24,475	0.1
1000	-	1999	52	14.3	64,495	0.1
2000	-	2999	37	10.2	87,015	0.2
3000	-	3999	15	4.1	49,795	0.1
4000	-	4999	8	2.2	35,435	0.1
5000	-	9 999	25	6.9	174,586	0.4
Over 10 000			120	33.0	48,272,873	99.0
			364	**100.0**	**48,723,123**	**100.0**

2020 ANALYSIS OF SHAREHOLDERS			Number of shareholders	% of shareholders	Number of shares held	% of shares held
Size of holding						
1	-	99	7	2.1	53	-
100	-	499	51	15.4	11,290	-
500	-	999	33	10.0	19,853	-
1000	-	1999	47	14.2	57,196	0.1
2000	-	2999	32	9.7	73,845	0.2
3000	-	3999	12	3.6	40,045	0.1
4000	-	4999	6	1.8	26,700	-
5000	-	9 999	42	12.7	328,537	0.7
Over 10 000			101	30.5	48,165,604	98.9
			331	**100.0**	**48,723,123**	**100.0**

2021 TYPE OF SHAREHOLDERS	Number of shareholders	% of shareholders	Number of shares held	% of shares held
Individuals & estates	294	80.8	9,450,938	19.4
Trusts	10	2.7	223,750	0.5
Nominee Corporates	40	11.0	16,862,659	34.6
Corporate bodies	20	5.5	22,185,776	45.5
	364	**100.0**	**48,723,123**	**100.0**

2020 TYPE OF SHAREHOLDERS	Number of shareholders	% of shareholders	Number of shares held	% of shares held
Individuals & estates	260	78.5	10,233,068	20.9
Trusts	11	3.3	214,200	0.4
Nominee Corporates	35	10.9	7,578,622	15.6
Corporate bodies	25	7.3	30,769,127	63.1
	331	**100.0**	**48,723,123**	**100.0**

SIGNIFICANT SHAREHOLDERS	Number of shares held 2021	Number of shares held 2020	% of shares held 2021	% of shares held 2020
Shareholders invested in 1% or more of the company				
Paratus Group Holdings Limited	21,349,931	20,012,431	43.8	41.1
Government Intuitions Pension Fund [1]	8,615,176	-	17.7	-
Capricorn Investment Holdings Limited	-	8,615,176	-	17.7
Erasmus, Schalk Leipoldt van Zyl	2,610,557	2,717,557	5.4	5.6
Old Mutual Life Assurance Company (Namibia) Limited [2]	2,000,000	2,000,000	4.1	4.1
D'Alton, Edward John	1,540,974	1,540,974	3.2	3.2
Alexander Forbes Investments Namibia Limited [3]	1,256,140	1,256,140	2.6	2.6
Harmse, Bartholomeus Roelof Jacobus	1,054,139	2,207,945	2.2	4.5
Paratus Telecommunications (Proprietary) Limited	-	1,337,500	-	2.7
Retirement Fund for Local Authorities and Utility Services in Namibia [3]	792,079	786,017	1.6	1.6
Investec Namibia Trustee Account (NANAM) [3]	764,838	764,838	1.6	1.6
	39,983,834	**41,238,578**	**82.2**	**84.7**

1 In care of FNB nominees Namibia (Proprietary) Limited
2 In care of CBN Nominees (Proprietary) Limited
3 In care of Standard Bank Namibia Nominees (Proprietary) Limited

Comparative number of shares held and % shares held only shown for those shareholders that held 1% or more in the prior or in the current year.

SHAREHOLDERS' INFORMATION (CONTINUED)

2021 SHAREHOLDER SPREAD	Number of shareholders	% of shareholders	Number of shares held	% of shares held
Non-public				
Held by Directors: Direct	8	2.2	4,334,786	9.2
Held by Directors: Indirect *	2	0.5	152,250	0.2
Holdings > 10% of issued shares	2	0.6	21,349,931	61.5
Held by the public	352	96.7	22,886,156	29.1
TOTAL	**364**	**100.0**	**48,723,123**	**100.0**

2020 SHAREHOLDER SPREAD	Number of shareholders	% of shareholders	Number of shares held	% of shares held
Non-public				
Held by Directors: Direct	8	2.4	5,550,348	11.4
Held by Directors: Indirect *	2	0.6	112,500	0.2
Holdings > 10% of issued shares	2	0.6	28,627,607	58.8
Public	319	96.4	14,432,668	29.6
TOTAL	**331**	**100.0**	**48,723,123**	**100.0**

*Excludes indirect shareholding included under line item "Holdings > 10% of issued shares."

SHARES TRADED AND ISSUED	2021	2020
Number of shares traded on the NSX for 12 month period (2020: 16 months)	11,702,277	322,421
Number of shares traded off market for 12 month period (2020: 16 months)	-	28,963
Shares traded as a weighted percentage of issued capital	24.02%	0.66%
NSX PRICE HISTORY		
12 (2020: 16) month high	12.15	11.00
12 (2020: 16) month low	10.90	10.00
Closing price 30 June	12.00	11.00

PARATUS NAMIBIA HOLDINGS LIMITED
(Incorporated in the Republic of Namibia)
(Registration Number 2017/0558)
Share code: PNH ISIN: NA000A2DTQ42
("Paratus Namibia Holdings Limited" or "the Company")

DIRECTORS

Executive
Stefanus Isaias de Bruin (Namibian)
Schalk Leipoldt Van Zyl Erasmus (Namibian)
Andrew Hall (Namibian)
Bartholomeus Harmse (Namibian)

Independent non-executive
Hans-Bruno Gerdes (Namibian)
Josephine Naango Ndakulilwa Shikongo (Namibian)
Stuart Hilton Birch (South African)
Morné Romé Mostert (Namibian)

Non-executive
Johannes Jacobus Esterhuyse (South African)

NOTICE OF ANNUAL GENERAL MEETING OF PARATUS NAMIBIA HOLDINGS LIMITED

Notice is hereby given that the Annual General Meeting of Paratus Namibia Holdings Limited ("General Meeting") will be held at Maerua Rooftop, 5th Floor, Maerua Office Tower, Jan Jonker, Windhoek, Namibia at 10:00 on Thursday, 20 January 2022 and/or by way of virtual (electronic) meeting as per the link below.

Copy link below into your browser to access virtual meeting:

https://teams.microsoft.com/l/meetup-join/19%3ameeting_Yzc1ZmE0YjgtMWQyNi00NWNhLWI3ZTgtOWUxNTg0YjkxNTc0%40thread.v2/0?context=%7b%22Tid%22%3a%22d79bb6ef-bce5-46a4-bb39-e07b6be9f1ba%22%2c%22Oid%22%3a%22aa8c7abb-d066-4612-9881-9741f2a9fe78%22%7d

PURPOSE

The purpose of the Annual General Meeting is to consider and, if deemed fit, to approve and adopt, with or without modification, the resolutions set out in this Notice of Annual General Meeting.

Herewith the proposed agenda and resolutions:

1. NOTICE CONVENING THE MEETING

2. APOLOGIES

3. ORDINARY RESOLUTION NUMBER 1: INTEGRATED ANNUAL REPORT

"RESOLVED AS AN ORDINARY RESOLUTION that, the Integrated Annual Report for Paratus Namibia Holdings Limited for the year ended 30 June 2021, including all the reports and the annual financial statements, be adopted and approved."

4. ORDINARY RESOLUTION NUMBER 2: APPOINTMENT OF AUDITORS

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

5. ORDINARY RESOLUTION NUMBER 3: BOARD COMPOSITION

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

Motions for ratification will be moved individually.

In terms of the Articles of Association, one-third of non-executive directors are subject to retirement annually, but are eligible for re-election. Accordingly, Hans-Bruno Gerdes and Romé Mostert retire by rotation. Both individuals are eligible for re-election and nominated as such.

Abridged curricula vitae of these directors are available on page 40 of this Integrated Annual Report.

With each of the following motions being moved individually:

5.1 **ORDINARY RESOLUTION 3.1: RE-ELECTION OF HANS-BRUNO GERDES**

"RESOLVED AS AN ORDINARY RESOLUTION that, the re-election of Hans-Bruno Gerdes in accordance with the Companies Act and the Articles of Association be approved and ratified."

5.2 **ORDINARY RESOLUTION 3.2: RE-ELECTION OF ROMÉ MOSTERT**

"RESOLVED AS AN ORDINARY RESOLUTION that, the re-election of Romé Mostert in accordance with the Companies Act and the Articles of Association be approved and ratified."

6. ORDINARY RESOLUTION NUMBER 4: RATIFICATION OF DIVIDENDS

"RESOLVED AS AN ORDINARY RESOLUTION that, the dividends declared and paid by Paratus Namibia Holdings Limited, being an interim dividend of 10 cents per share declared on 18 March 2021 and paid 14 May 2021 and a final dividend of 10 cents per ordinary share declared on 21 September 2021 and paid on 12 November 2021 be ratified.

7. ORDINARY RESOLUTION NUMBER 5: AUTHORITY TO ACTION ALL ORDINARY RESOLUTIONS

"RESOLVED AS AN ORDINARY RESOLUTION that, any director of Paratus Namibia Holdings Limited, or the Company Secretary be and is hereby authorised to do all such things as are necessary and to sign all such documents issued by Paratus Namibia Holdings Limited and take all actions as may be necessary to implement the above ordinary resolutions with or without amendment."

8. NON-BINDING ADVISORY VOTE NUMBER 1: NON-EXECUTIVE DIRECTORS' REMUNERATION FOR THE YEAR ENDED 30 JUNE 2021

"RESOLVED AS A NON-BINDING ADVISORY VOTE that, the actual remuneration of the non-executive directors for the year ended 30 June 2021 as set out on page 74 of the Integrated Annual Report of which this notice of the general meeting forms part is hereby ratified."

9. TO TRANSACT ANY OTHER BUSINESS WHICH, UNDER THE ARTICLES OF ASSOCIATION, MAY BE TRANSACTED AT AN ANNUAL GENERAL MEETING

Copy link below into your browser to access virtual meeting:

https://teams.microsoft.com/l/meetup-join/19%3ameeting_Yzc1ZmE0YjgtMWQyNi00NWNhLWI3ZTgtOWUxNTg0YjkxNTc0%40thread.v2/0?context=%7b%22Tid%22%3a%22d79bb6ef-bce5-46a4-bb39-e07b6be9f1ba%22%2c%22Oid%22%3a%22aa8c7abb-d066-4612-9881-9741f2a9fe78%22%7d

By order of the Board

NOTE:

1. The date on which Paratus Namibia Holdings Limited Shareholders must be recorded in the Register for purposes of being entitled to receive this notice is Wednesday, 22 December 2021. The date on which Paratus Namibia Holdings Limited Shareholders must be recorded in the Register for purposes of being entitled to attend and vote at the Annual General Meeting is Thursday, 06 January 2022.

Accordingly, the Last Day to Trade to be entitled to attend and vote at the Annual General Meeting is Wednesday, 29 December 2021.

Any Paratus Namibia Holdings Limited Shareholder who holds Shares in Paratus Namibia Holdings Limited may attend, participate in and vote at the Annual General Meeting or at any adjournment thereof or may appoint any other person or persons (none of whom need be a Paratus Namibia Holdings Limited Shareholder) as a proxy or proxies, to attend, participate in and vote or abstain from voting at the Annual General Meeting or at any adjournment thereof, in such Shareholder's stead.

2. A form of proxy is attached for use by such Paratus Namibia Holdings Limited Shareholders. Such form of proxy duly completed, must be forwarded to and reach the Transfer Secretaries, by no later than 10:00 on Tuesday, 18 January 2022. The completion of a form of proxy does not preclude any Shareholder registered by the Voting Record Date from attending the Annual 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 Annual General Meeting and must accordingly bring a copy of their identity document, passport or driver's license to the Annual 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.

3. For an ordinary resolution to be approved by Paratus Namibia Holdings Limited Shareholders, it must be supported by more than 50% of the voting rights exercised on the resolution.

4. For a special resolution to be approved by Paratus Namibia Holdings Limited Shareholders, it must be approved at a general meeting where not less than one-fourth of the total votes of all the members entitled to vote are present in person or by proxy, and be passed by majority of at least 75% of the total voting rights of Shareholders present in person or by proxy.

SIGNED AT WINDHOEK, NAMIBIA, ON 06 December 2021 ON BEHALF OF THE BOARD.
By order of the Board

Registered Office
104-106 Nickel Street
Windhoek
Namibia

P.O. Box 81588, Olympia
Prosperita
Windhoek

PARATUS
Paratus Namibia Holdings Ltd

PARATUS NAMIBIA HOLDINGS LIMITED
(Incorporated in the Republic of Namibia)
(Registration Number 2017/0558)
Share code: PNH ISIN: NA000A2DTQ42
("Paratus Namibia Holdings Limited" or "the Company")

FORM OF PROXY – FOR USE BY CERTIFICATED SHAREHOLDERS ONLY

I/We (full name in block letters): ____________________
of (address):____________________
Telephone Number:____________________
E-Mail Address: ____________________
being the registered shareholder of ____________________Paratus Namibia Holdings Limited,
Do hereby appoint
____________________of____________________or failing him/her
____________________of____________________or failing him/her

the Chairperson of the Annual General Meeting, as my/our proxy to vote for me/us on my/our behalf at the General Meeting which will be held for the purpose of considering and, if deemed fit, approving and adopting, with or without modification, the resolutions to be proposed thereat and at each adjournment thereof and to vote for and/or against the said resolutions and/or to abstain from voting in respect of the Shares registered in my/our name(s), and at any adjournment thereof as follows:

Resolution	FOR	AGAINST	ABSTAIN
ORDINARY RESOLUTION NUMBER 1 - TO ADOPT THE INTEGRATED ANNUAL REPORT			
ORDINARY RESOLUTION NUMBER 2 – APPOINTMENT OF AUDITORS			
ORDINARY RESOLUTION NUMBER 3 – BOARD COMPOSITION			
ORDINARY RESOLUTION 3.1: RE-ELECTION OF HANS-BRUNO GERDES			
ORDINARY RESOLUTION 3.2: RE-ELECTION OF ROMÉ MOSTERT			
ORDINARY RESOLUTION NUMBER 4 – DECLARATION OF DIVIDENDS			
ORDINARY RESOLUTION NUMBER 5 - IMPLEMENTATION OF RESOLUTIONS			
NON-BINDING ADVISORY VOTE NUMBER 1 - TO RATIFY NON-EXECUTIVE DIRECTORS' REMUNERATION FOR THE YEAR ENDED 30 JUNE 2021			

(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 ....

....
Full Name and Surname

....
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 Paratus Namibia Holdings Limited Shareholders. Paratus Namibia Holdings Limited 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.

Note 3: If the Annual General Meeting is adjourned or postponed, forms of proxy submitted for the initial Annual General Meeting will remain valid in respect of any such adjournment or postponement.

Registered Office
106 Nickel Street,
Prosperita
Windhoek
Namibia

P.O. Box 81588, Olympia
Windhoek
Namibia

GLOSSARY

AA	Affirmative Action
ARC	Audit, Risk and Compliance
Capex	Capital expenditure
CEO	Group Chief Executive Officer
CFO	Group Chief Financial Officer
COO	Group Chief Operations Officer
CP	Chairperson
CPC	Capital Pool Company
CRAN	Communications Regulatory Authority of Namibia
DMTNP	Domestic Medium Term Note Programme
EBITDA	Earnings before interest, taxation, depreciation and amortisation
EXCO	Executive Committee
GP%	Gross profit margin
HOD	Heads of departments
IC	Investment Committee
ICT	Information Communication and Technology
IFRS	International Financial Reporting Standards
ISP	Internet Service Provider
IT	Information Technology
MD	Managing Director
NamCode	Namibian Code
NOC	Network Operations Centre
NSX	Namibian Stock Exchange
Paratus	Paratus Telecommunications (Proprietary) Limited
PNH	Paratus Namibia Holdings Limited
PTNA	Paratus Telecommunications (Proprietary) Limited
PWC	PricewaterhouseCoopers
REMCO	Remuneration and Nomination Committee
RFS	Ready-For-Service

CORPORATE INFORMATION

COMPANY REGISTRATION NUMBER:
2017/0558
Website:
https://invest.paratus.africa
Share Code: PNH
ISIN: NA000A2DTQ42

HEAD OFFICE
106 Nickel Street, Prosperita
Windhoek, Namibia
P.O. Box 81588
Olympia
Windhoek, Namibia
Tel: +264 83 300 1000

REGISTERED ADDRESS OF PARATUS
104 - 106 Nickel Street, Prosperita
Windhoek, Namibia
P.O. Box 81588
Olympia
Windhoek, Namibia
Tel: +264 61 247 437

COMPANY SECRETARY
Cronjé Secretarial Services (Proprietary) Limited
1 Charles Cathral Street
Windhoek, Namibia
P.O. Box 81588
Olympia
Windhoek, Namibia
Tel: +264 81 319 8200
E-mail: cronje@cronjelaw.com
www.cronjelaw.com

MANAGING DIRECTOR: NAMIBIA
Andrew Hall
Tel. +264 83 300 1000
E-mail: andrew@paratus.africa

GROUP CHIEF FINANCIAL OFFICER
Stefan de Bruin
Tel. +264 83 300 1000
E-mail: stefan@paratus.africa

GROUP CHIEF EXECUTIVE OFFICER
Barney Harmse
Tel. +264 83 300 1000
E-mail: barney@paratus.africa

GROUP CHIEF OPERATIONS OFFICER
Schalk Erasmus
Tel. +264 83 300 1000
E-mail: schalk@paratus.africa

TRANSFER SECRETARIES
Transfer Secretaries (Proprietary) Limited
4 Robert Mugabe Avenue
(entrance in Burg Street opposite 2A Chateau St)
Windhoek, Namibia
P.O. Box 2401
Windhoek, Namibia
Tel: +264 61 227647
E-mail: Alexandreah@nsx.com.na

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

COMMERCIAL BANKS
Bank Windhoek Limited
Head Office
262 Independence Avenue
Windhoek, Namibia
P.O. Box 15
Windhoek, Namibia

FIRST NATIONAL BANK NAMIBIA
FNB Windhoek Parkside Head Office
130 Independence Avenue c/o Fidel Castro
Windhoek, Namibia
P.O. Box 195
Windhoek, Namibia

SPONSOR
Simonis Storm Securities
4 Koch Street
Klein Windhoek
Windhoek, Namibia
P.O. Box 3970
Windhoek, Namibia
Tel: +264 61 254 194
E-mail: info@sss.com.na
www.sss.com.na/

INDEPENDENT EXPERT
PSG Capital (Proprietary) Limited
1st Floor,
Ou Kollege Building
35 Kerk Street
P.O. Box 7403
Stellenbosch, 7599
South Africa
Tel: +27 21 887 9602
Fax: +27 21 887 9624

LEGAL ADVISORS
Cronjé & Co
1 Charles
Cathral Street
Windhoek, Namibia
P.O. Box 81588
Olympia
Windhoek, Namibia
Tel: +264 61 247435/7
E-mail: info@cronjelaw.com www.cronjelaw.com Continued

ENS AFRICA
3rd Floor, Unit 4
LA Chambers
Ausspann Plaza
Dr. Agostinho Neto Road
Windhoek, Namibia
Private Bag 12007
Ausspannplatz
Windhoek
Namibia
tel: +264 61 379 700
fax: +264 61 379 701
email: infoWDH@ENSafrica.com

PARATUS
Always Prepared