



**Nimbus Infrastructure Limited**  
**(Incorporated in the Republic of Namibia)**  
**(Registration number 2017/0558)**  
**NSX share code: NUSP ISIN: NA000A2DTQ42**  
**(“Nimbus” or “the company”)**

**TERMS ANNOUNCEMENT IN RESPECT OF THE PROPOSED SHARE SWAP TRANSACTION AND RIGHTS ISSUE BY NIMBUS TO INCREASE SHAREHOLDING IN PARATUS TELECOMMUNICATIONS (PTY) LIMITED (“PARATUS”) FROM 26.5% TO 51.4% AND ISSUE OF CIRCULAR TO SHAREHOLDERS**

**1. Introduction**

Pursuant to the cautionary announcement by Nimbus published on NENS dated 20 February 2018, shareholders are advised of the proposed share swap agreement by Nimbus to increase the effective see-through economic interest from 26.5% to 51.4% (fifty-one point four percent) in Paratus at the effective date, subject to the terms and conditions as set out herein (“the transaction”).

**2. Share swap transaction**

In terms of the transaction:

- i. Nimbus will acquire 24.9% (twenty-four point nine percent) of the issued share capital in Paratus, consisting of
  - a. 8,815 ordinary shares held by Cuvelai Telecommunications (Pty) Ltd (“Cuvelai”), representing 18.6% of the issued share capital of Paratus; and
  - b. 3,000 ordinary shares held by Bartholomeus Harmse (“Harmse”), representing a holding of 6.3% of the issued share capital of Paratus.
- ii. The purchase consideration shall consist of the issue of 8,495,400 new ordinary shares in Nimbus to be allotted to the Sellers at a pre-determined and agreed upon price of N\$ 10.50 (ten Namibia Dollars and fifty cents) each and a total value of N\$ 89,201,700 (eighty-nine million, two hundred and one thousand seven hundred Namibia Dollars).
- iii. The issue of the 8’495’400 new ordinary shares in Nimbus will cause a dilution of 24.74% for all current shareholders.

**3. The vendors**

Cuvelai Telecommunications (Pty) Ltd currently holds 18.6% of the issued ordinary shares in Paratus. 100% of the issued share capital in Cuvelai is held by current Paratus employees consisting of senior personnel, executive management and directors.

Harmse currently holds 6.3% of the issued ordinary shares in Paratus and currently serves as Chief Executive Officer and Director of Paratus.

#### **4. Rights Issue**

In terms of the rights issue:

- i. Qualifying Shareholders will be entitled to subscribe for 15'545'085 Rights Issue Shares, upon the terms set out in this Circular;
- ii. Each Qualifying Shareholder recorded in the Register at 17:00 on Monday, 07 May 2018 will be awarded Letters of Allocation. Letters of Allocation in respect of the Rights Issue Shares will be listed and able to be traded on the NSX from 09:00 on Monday, 14 May 2018 until 17:00 on Thursday, 24 May 2018.
- iii. After trading in Letters of Allocation has closed 17.00 on Thursday, 24 May 2018, the register of all persons holding Rights through Letters of Allocation will be finalised by 01 June 2018. All holders of Rights by way of Letters of Allocation shall be entitled to subscribe for 15 Rights Issue Shares for every 10 Shares held;
- iv. All Rights held by way of Letter of Allocation must be exercised in the manner as provided for in the Circular, by completing the relevant sections of the Form of Instruction and submitting same, together with proof of payment to Transfer Secretaries from 09.00 on Monday, 14 May 2018, but before 12:00 on Tuesday, 05 June 2018; and
- v. the subscription price will be N\$10.50 per Rights Issue Share.

#### **5. Rationale for the swap transaction**

- i. Increased exposure to ICT sector  
In addition to the rationale as set out above and in more detail in the Previous Circular, a majority shareholding in Paratus will ensure that Nimbus secures a firm foothold in the ICT sector, which will serve as a stable platform for future growth and expansion. Paratus will be a subsidiary of Nimbus and its financial results will be consolidated into Nimbus' financial reports.
- ii. Strategic control of the Trans Kalahari Fiber-Line  
A controlling interest in Paratus secures strategic control of the TKF-Line, which is believed will play an instrumental role in the future private sector growth in the ICT sector in Namibia and further into the land-locked countries of sub-Saharan Africa.
- iii. Strategic investment partner  
Nimbus intends to expand in a sustainable manner by way of strategically making further acquisitions and investments in the ICT sector. A controlling interest in Paratus will make Nimbus an attractive investment partner, as Nimbus will be able to unlock unique synergies from future investment opportunities through its strategic alliance with Namibia's largest independent telecommunications operator, Paratus Namibia.

A controlling interest in Paratus established Nimbus as an integral player in the Paratus Group with a proven investment track record, which will secure Nimbus access to the Paratus Group investment pipeline in the rest of sub-Saharan Africa.

- iv. Early transition from a CPC to a main board listing  
The transaction will see the majority of the capital raised by Nimbus invested into a Viable Asset, which shall result in Nimbus making an early transition from a CPC to a full-fledged listed company on the NSX mainboard.

## **6. Rationale for the Rights Issue**

- i. The purpose of the Rights Issue is to raise capital which will enable Nimbus to make further investments into sub-Saharan Africa ICT sector. As at the date of issue of the Circular Nimbus is evaluating:
  - a. Investing in Lightstruck Operating Company (Pty) Ltd.
  - b. Nimbus has entered into negotiations with Lightstruck Holdings (Pty) Ltd, Eaglestone Investment Holdings (Pty) Ltd, Africa Merchant Capital Holdings (Pty) Ltd and Dijethale Holdings Ltd, with the intention to acquire an equity interest of more than 25% in Lightstruck Operating Company (Pty) Ltd. This investment will allow Nimbus the opportunity to invest and participate in a phased last-mile fibre network roll out across Windhoek allowing FTTH (fibre to the home) and FTTB (fibre to the business) access to the city's neighbourhoods and business districts.
- ii. Potential datacentres in Namibia and Zambia.
  - a. Nimbus has started exploring options of constructing and operating colocation centres or " Co-Location Hub", where equipment, space, and bandwidth are available for rental to institutional and retail customers.
- iii. Minimise the dilutionary effect of the Swap Transaction to Qualified Shareholders
  - a. Rights will be offered to all Qualifying Shareholders in a ratio of 15 Rights Issue Shares for every 10 Shares held so as to enable all Qualifying Shareholders to reduce the diluting effect of the Share Swap and to retain their increased exposure to the promising Nimbus transaction pipeline.

## **7. Terms of the Swap Transaction**

- i. The Share Swap will see Nimbus acquiring 11,815 additional shares in Paratus from the sellers listed below, resulting in an increased effective shareholding of Nimbus in Paratus to 51.4% of the total issued ordinary shares:
  - a. 8 815 ordinary shares in Paratus together with any Sale Claims held by Cuvelai, representing a holding of 18.6% of the issued share capital of Paratus;
  - b. 3 000 ordinary shares in Paratus together with any Sale Claims held by Bartholomeus Harmse, representing a holding of 6.3% of the issued share capital of Paratus; and
  - c. The above Paratus Shares and Sale Claims are to be acquired by Nimbus in one indivisible transaction in accordance with the Swap Agreement, which after having been transferred to Nimbus will increase the effective shareholding of Nimbus from 26.5% to 51.4% of total issued ordinary shares of Paratus.
- ii. The Swap Consideration will be:
  - a. the issue of 8,495,400 new ordinary shares in Nimbus to be allotted to the Sellers at a pre-determined and agreed upon price of N\$ 10.50 (ten Namibia Dollars and fifty cents) each and a total value of N\$ 89,201,700 (eighty-nine million, two hundred and one thousand seven hundred Namibia Dollars).
- iii. Effective date  
The effective date of the transaction shall be upon the date of the fulfilment of all the conditions precedent as disclosed below.

iv. Conditions precedent

The transaction is subject to the fulfilment of certain conditions precedent, including inter alia:

- a. A legal opinion of legal counsel satisfactory to Nimbus, dealing, inter alia, with the powers, capacity and authority of the Sellers and Paratus to conclude the Swap Agreement;
- b. An opinion must be obtained from an independent expert acceptable to the NSX that the terms of the Swap is fair and reasonable as far as the Shareholders of Nimbus are concerned;
- c. The Swap with the Sellers, being shareholders in Paratus will trigger the rights of the current Paratus shareholders to acquire the shares. Therefore, to obtain the effective shareholding in Paratus of 51.4% as agreed, the current shareholders of Paratus must waive their pre-emptive rights to obtain the shares being Swapped;
- d. Paratus' board of directors must approve or ratify the Swap Agreement, as well as all other agreements contemplated as part of the Swap;
- e. Retention of key management and executives will be secured by entering into binding addendums to the employment agreements with each of the Key Management and Executives (previous shareholders of Cuvelai only, which was subject to the share swap agreement);
- f. All the shareholders in Paratus must enter into an addendum to the shareholders agreement in respect of their shareholding in the Company, whereby they agree that management- and technical control of Paratus shall be unchanged by the Share Swap and shall remain vested in the Key Management and Executives of Paratus;
- g. CRAN and Competition Commission approval; and
- h. any other regulatory approvals as required in Namibia.

- v. A final announcement will be made when all conditions precedent have been fulfilled.

## 8. Terms of the Rights Issue

i. In terms of the rights issue

- a. Qualifying Shareholders will be entitled to subscribe for 15'545'085 Rights Issue Shares, upon the terms set out in this Circular;
- b. Each Qualifying Shareholder recorded in the Register at 17:00 on Monday, 07 May 2018 will be awarded Letters of Allocation. Letters of Allocation in respect of the Rights Issue Shares will be listed (NSX code: **NUSPN** and ISIN: NA000A2JGHU2) and able to be traded on the NSX from 09:00 on Monday, 14 May 2018 until 17:00 on Thursday, 24 May 2018;
- c. After trading in Letters of Allocation has closed 17.00 on Thursday, 24 May 2018, the register of all persons holding Rights through Letters of Allocation will be finalised by 01 June 2018. All holders of Rights by way of Letters of Allocation shall be entitled to subscribe for 15 Rights Issue Shares for every 10 Shares held;
- d. All Rights held by way of Letter of Allocation must be exercised in the manner as provided for in the Circular, by completing the relevant sections of the Form of Instruction and submitting same, together with proof of payment to Transfer Secretaries from 09.00 on Monday, 14 May 2018, but before 12:00 on Tuesday, 05 June 2018;
- e. The subscription price will be N\$10.50 per Rights Issue Share;
- f. The Rights Issue will open at 09:00 on Monday, 14 May 2018 and will close at 12:00 on Tuesday, 05 June 2018;

- g. 15'545'085 Rights Issue Shares with effect from the commencement of trade on Tuesday, 19 June 2018;
- h. The Rights Issue Shares will, upon allotment and issue, rank pari passu with all other existing Shares in all respects, including in terms of both voting rights and dividends. The Rights Issue Shares do not have any convertibility or redemption provisions;
- i. The Rights Issue Shares, once issued, will be fully paid up and freely transferable; and
- j. The Rights Issue is not underwritten.

## **9. Description of Paratus**

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

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

Apart from officially operating in these seven countries, Paratus is delivering services in more than 22 African Countries, making the group a pan-African telecommunications operator.

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

## **10. Pro forma financial effects on Nimbus**

The pro forma financial information provided is the responsibility of the directors of Nimbus. The pro forma financial information has been prepared for illustrative purposes only and because of its nature, may not fairly reflect the financial position of Nimbus or results of its operations after the acquisition:

	Column 1	Column 2	Column 3	Column 4
	Pro forma balance sheet 31 July 2017 (N\$)	Pro forma adjustment for Share Swap (N\$)	Pro forma adjustment for Rights Issue (N\$)	Pro forma balance sheet 31 July 2017 (N\$)
<b>Statement of financial position</b>				
<b>Assets</b>				
<i>Current assets</i>				
Cash and cash equivalents	2,707,140		160,300,610	163,007,750
<i>Non-Current assets</i>				
Investment in Associate	98,294,750	(98,294,750)		-
Investment in Subsidiary		189,943,373		189,943,373
<b>Total assets</b>	<b>101,001,890</b>	<b>91,648,623</b>	<b>160,300,610</b>	<b>352,951,124</b>
<b>Capital and reserves</b>				
Share capital	103,634	84,954	155,451	344,039
Share Premium	101,544,438	89,116,743	160,145,159	350,806,340
Retained income/(loss)	(959,364)	(60,000)		(1,019,364)
<b>Liabilities</b>				
<i>Current liabilities</i>				
Trade Creditors	313,182	2,506,926		2,820,108
<b>Total equity and liabilities</b>	<b>101,001,890</b>	<b>91,648,623</b>	<b>160,300,610</b>	<b>352,951,124</b>
Net asset value	100,688,708			350,131,015
Number of shares in issue	10,363,407	8,495,400	15,545,085	34,403,892
NAV per share (N\$)	9.72			10.18

Notes and Assumptions:

1. Column 1 presents the Statement of Financial Position of Nimbus, which has been extracted from the previous circular dated 16 November 2017, Annexure A: Pro Forma Statement of the Financial Position of Nimbus as at 31 July 2017.
2. Column 2 presents the financial effects of the Share Swap including the following adjustments:
  - 2.1. Acquisition of an additional 24.9% shareholding in Paratus by way of a Share Swap in terms whereof 8 495 400 new ordinary Nimbus Shares will be issued at a par value of N\$0.01 each and a premium of N\$10.49 at an issue price of N\$ 10.50, totalling N\$ 89 201 697.00.
  - 2.2. The additional 24.9% shareholding in Paratus acquired from the Share Swap will bring the effective holding by Nimbus in Paratus to 51.4%, wherefore the investment in Paratus will be reclassified from an investment in associate to an investment in subsidiary.
  - 2.3. Transaction costs relating to the acquisition amounting to N\$ 2 446 926, including stamp duties, legal fees and transaction fees to the Investment Manager have been capitalised against the investment in accordance with IFRS 9: Financial Instruments.

- 2.4. The costs of publication of the notice and hosting of the general meeting to approve the Share Swap amounting to N\$ 60 000 has been expensed through profit and loss.
3. Column 3 presents the financial effects of the Rights Issue, including the following adjustments:
  - 3.1. A renounceable Rights Issue to Qualifying Shareholders in respect of 15'545'085 Rights Issue Shares in the ratio of 15 Rights Issue Shares for every 10 Shares at a par value of N\$0.01 each and a premium of N\$10.49 at an issue price of N\$ 10.50 per share, with a total value of N\$ 163 223 392.50.
  - 3.2. Transaction costs relating to the acquisition amounting to N\$ 2 922 782, including stamp duties, NSX capital raising fees and transaction fees to the Investment Manager, has been capitalised against share capital in accordance with IAS 32: Financial Instruments.
4. Column 4 presents the total of column 1, column 2 and column 3.

**11. Circular**

A circular will be issued to Nimbus shareholders on 27 March 2018 regarding the approval of the proposed swap transaction and approving the proposed rights issue. The circular will be available on the Nimbus website (<https://nimbus.africa>).

**12. General Meeting Notice**

Notice is hereby given that a general meeting of Nimbus shareholders will be held at 45 Nelson Mandela Avenue, Windhoek, Namibia at 10:00 on Friday, 16 April 2018.

**13. Withdrawal of cautionary announcement**

Shareholders should note that the cautionary announcement dated 20 February 2018, is hereby withdrawn and shareholders are no longer required to exercise caution when dealing in the company's shares.

By order of the Board  
Windhoek  
27 March 2018

**Sponsor**



PSG Wealth Management (Namibia) (Pty) Ltd  
Member of the Namibian Stock Exchange