



**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 A SUBSCRIPTION BY NIMBUS TO A RIGHTS ISSUE BY PARATUS TELECOMMUNICATIONS (PROPRIETARY) LIMITED**

### **1. Introduction**

Pursuant to the cautionary announcements by Nimbus published on NENS dated 20 March 2019, 30 April 2019 and 11 June 2019, shareholders are advised that Nimbus has subscribed for 24'398 (twenty-four thousand three hundred and ninety-eight) ordinary shares to be issued from the authorised shares of Paratus Telecommunications (Pty) Ltd (“Paratus Namibia”). Nimbus’s shareholding in Paratus Namibia will remain unchanged at 51.4% (fifty-one-point four percent) (“the transaction”).

### **2. Rights Issue by Paratus Namibia**

In terms of the rights issue:

- i. The aggregate amount to be raised by Paratus Namibia in terms of the rights issue amounts to N\$ 49'999'970.46 (forty nine million, nine hundred and ninety nine thousand, nine hundred and seventy Namibia Dollars and forty six cents) to be contributed as share capital in Paratus Namibia by Nimbus and Paratus Group Holdings Limited (“Paratus Group”) *pro rata* to their respective shareholdings in Paratus Namibia.
- ii. The subscription price will be N\$ 1'053.03, consisting of a par value of N\$ 5.00 and a premium of N\$ 1'048.03 per ordinary share for both Nimbus and Paratus Group.
- iii. Nimbus will subscribe for 24'398 (twenty-four thousand three hundred and ninety-eight) ordinary shares in Paratus Namibia, for a consideration amount of N\$25'691'825.94 (twenty five million six hundred and ninety one thousand eight hundred and twenty five Namibia Dollars and ninety four cents), upon the terms set out herein, which will rank *pari passu* to the issued ordinary share capital of Paratus Namibia in all respects;
- iv. Paratus Group, the other shareholder in Paratus Namibia, will subscribe for 23'084 (twenty-three thousand and eighty-four) ordinary shares in Paratus Namibia, on the same terms and conditions as Nimbus, for a consideration amount of N\$ 24'308'144.52 (twenty four million, three hundred and eight thousand one hundred and forty four Namibia Dollars and fifty two cents), to maintain its shareholding of 48.6% (forty-eight-point six percent).

- v. The effective date will be upon fulfilment of the conditions precedent set out below.
- vi. Conditions Precedent:
  - a. that all such Paratus Group board resolutions as may be required to approve and authorise the Transaction as contemplated herein, be adopted;
  - b. that all such Nimbus board resolutions as may be required to approve and authorise the Transaction as contemplated herein, be adopted;
  - c. that all such Paratus Namibia board resolutions and shareholder resolutions, as may be required to approve and implement the Subscription, be adopted, in order to allot and issue the Subscription Shares as may be required;
  - d. that all requirements of the NSX as applicable to Nimbus and the Transaction, including the publishing of a transaction notice and obtaining such further approvals as may be applicable under the circumstances, be complied with; and
  - e. a transaction in terms whereof Paratus Group will allot newly issued shares, be finalised, closed and the subscription amount received by Paratus Group.
- vii. At date hereof, only the condition in vi (e) above remains outstanding.

### **3. Rationale for investing in the rights issue by Paratus Namibia**

Paratus Namibia continues to invest aggressively in telecommunications infrastructure, including urban fiber infrastructure and 4G LTE connectivity infrastructure in major Namibian towns/cities, decreasing reliance on third-party service providers, capturing costs in the process and creating increased opportunity for leveraged profitability in future.

Paratus Namibia has an impressive track record, both in Namibia and across the African continent. The company has grown its customer base aggressively, particularly in the corporate space, and is actively expanding into the retail market. Paratus Namibia continues to show a strong growth profile, despite the challenging economic environment in Namibia.

The board of Paratus Namibia approved a capital expenditure budget of N\$114 million for the current financial year with N\$56.5 million earmarked for the fiber to the x (FTTx) roll out and N\$24.4 million for LTE network assets.

The investment case of the proposed FTTx and LTE investments indicates that the estimated internal rate of return on these investments exceeds the required rate of returns.

The Board is confident that Paratus Namibia can fund its budgeted capital outlay from its free cash flows and the rights issue proceeds. The Board recommends a Rights Issue to be finalised during June 2019 in order to ensure the timely outlay of the capital budget for the financial year ending 30 June 2020, without compromising its working capital position.

#### **4. Description of Paratus Namibia**

Paratus Namibia 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.

Paratus Namibia 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.

#### **5. Withdrawal of cautionary announcement**

Shareholders should note that the cautionary announcement 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  
3 July 2019

#### **Sponsor**



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