

ECONOMIC GROWTH AND BIODIVERSITY ADVERSELY AFFECTED BY WILDLIFE CRIMES - REPORT

Posted by News Service | Apr 1, 2022 | Environment



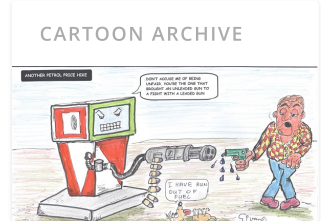
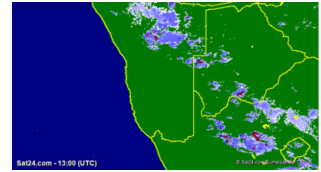
Wildlife crimes remain a severe threat to the economy and biodiversity as well as to local livelihoods, the recently released Second National Integrated State of the Environment Report for Namibia showed.

According to the report, a large number of wildlife crime cases are related to poaching for meat while rhinos currently represent the most valuable and sought after wildlife crime target.

“Between 2018 and 2019, there has been an increase in registered wildlife cases related to high-value species growing from 115 to 174 cases. Of all the registered cases in 2019, Pangolin was by far the most targeted high-value species representing 21% of all cases. These are often trafficked alive and can be rehabilitated if seized alive. Elephant cases make up a significant 12% and usually consist of ivory seizures while rhino cases make up 7% of the total, many are pre-emptive cases where animals can be saved,” the report states.

According to the report, the highest incidence of wildlife crimes is in the central, eastern and northeastern parts of Namibia where the highest number of incidences were recorded in the Otjozondjupa region.

The report states that there has been a significant increase in elephant numbers which is attributed to the decrease in elephant poaching by 85% from 2014 when 78 elephants were poached to 2020 when 11 were poached.



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REVIEWED FINANCIAL RESULTS

For the six months ended 31 December 2021 (continued)

2. NOTES TO THE FINANCIAL RESULTS (continued)

2.4 Property, plant and equipment

	31 December 2021	31 December 2020	30 June 2021
	Reviewed	Reviewed	Audited
	N\$	N\$	N\$
Net book value at the beginning of the period	390 616 662	254 244 405	254 244 405
Capital expenditure	146 556 856	89 962 015	174 404 595
Measurement adjustment	158 275	-	-
Disposals	(148 829)	(38 229)	(83 431)
Depreciation	(22 151 234)	(19 366 225)	(28 568 565)
Net book value at the end of the period	514 448 730	325 801 966	360 016 962

2.5 Intangible assets

	31 December 2021	31 December 2020	30 June 2021
	Reviewed	Reviewed	Audited
	N\$	N\$	N\$
Net book value at the beginning of the period	296 488 834	297 156 634	297 156 634
Additions through a business combination	-	-	1 881 608
Measurement adjustment on goodwill	19 242	-	-
Capital expenditure	1 174 491	398 383	4 086 289
Amortisation	(3 571 481)	(3 159 947)	(6 595 797)
Net book value at the end of the period	294 090 986	294 395 170	296 488 834

2.6 Investments at fair value

Investments at fair value amounting to N\$56.5 million (31 December 2020: N\$86 million; 30 June 2021: N\$159.9 million) consist of investments in money market funds, which earned dividends of N\$2.4 million (31 December 2020: N\$2.8 million; 30 June 2021: N\$4.1 million). The dividends earned are included under revenue. Investments at fair value are short term in nature and classified as level 2 financial instruments. Level 2 financial instruments are valued at prices relative to prices in the market.

3. DIRECTORS' COMMENTARY

3.1 The market and prospects

Namibia's economic performance was expected to improve slightly during 2021 and improve further in 2022. According to the Bank of Namibia's December 2021 Economic Outlook report, the real GDP growth is projected to increase by 1.5% and 3.3% in 2021 and 2022, respectively, from a contraction of 6.5% in 2020. The growth in the Information and Communication sector was expected to be 7.8% in 2021 and 6.4% in 2022. The group will continue its aggressive infrastructure roll-out strategy to further expand its network footprint across Namibia and to support recurring revenue growth.

For the six months ended 31 December 2021, Paratus Telecommunications (Proprietary) Limited ("Paratus Namibia") the operating entity, realised recurring revenue of N\$116.2 million (December 2020: N\$115.4 million) which represents a growth of 0.5% on a like-for-like basis. Non-recurring revenue, which represents Local Area Network installations and sale of Telecommunication Equipment, amounted to N\$24.4 million (December 2020: N\$14.2 million). This represents a growth of 73.2% on a like-for-like basis. The growth is mainly attributable to a Local Area Network installation from a new proprietary development project.

The net profit before taxation, for the operating entity, for the same period amounts to N\$26.4 million (31 December 2020: N\$21.9 million) and earnings before interest, taxation, depreciation and amortisation ("EBITDA") amounts to N\$28.8 million (December 2020: N\$45.6 million). This represents growth of 29.8% and 27.5%, respectively on a like-for-like basis. The growth in profitability is mainly attributable to the overall revenue growth of 15.9% and the moderate increase of 7.7% in operating expenses. The operating margin for the period under review is slightly lower than the previous reporting period and is mainly due to the lower margins realised from the higher non-recurring revenue.

3.2 Capital projects

For the period to 31 December 2021 Paratus Namibia has invested N\$147.7 million in infrastructure. Of this total investment, N\$23.4 million was invested in the fiber network, of which N\$8 million was invested towards a fiber network in the Northern towns of Namibia and N\$15 million was invested to expand the current fiber network in the coastal towns of Namibia.

An amount of N\$11 million was invested towards the LTE networks in Windhoek, the coastal towns, and the North of Namibia.

3.3 Capital projects (continued)

A total amount of N\$34 million was invested in the Cable Landing Station in Swakopmund, which has now been completed and is ready for service.

To date, N\$50.4 million was invested in the Data Center, which is expected to be completed during the third quarter of 2022 at a total cost of N\$50 million.

Management considers EBITDA as an important operational performance measure, as it mirrors Paratus Namibia'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.

For the period under review, Paratus Namibia have funded 40% of the total capital investment from operational cash flows, which includes the Data Center project. The investment in infrastructure bodes well for the group, as is evident from the improvement in the EBITDA margin emanating from the cost savings realised by using own infrastructure, as well as adding customers to existing infrastructure.

3.3 Events after the reporting period

The directors are not aware of any other material subsequent events after the reporting period.

3.4 Changes to the Board

There have been no changes to the board of directors.

3.5 Contingent liabilities

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

3.6 Dividends declared

The directors declared an interim dividend of 10 cents per ordinary share (31 December 2020: 10 cents per ordinary share).

The interim dividend payment of 10c per ordinary share is maintained to continue the current level of infrastructure roll-out, which should bode well for future profit growth.

The latest dates of the dividend declared are as follows:

- Board declaration date: 23 March 2022
- Last date to trade cum dividend: 27 May 2022
- First date to trade ex dividend: 30 May 2022
- Last date to register (Record date): 03 June 2022
- Payment date: 17 June 2022

3.7 Appreciation

The Board would like to thank the management team, service providers and our valued customers for their continued support and dedication. Finally, we would like to thank our shareholders for their support and association with Paratus Namibia Holdings Limited.

By order of the Board
H B Gerdes - Chairman of the Board
23 March 2022

REGISTERED OFFICE
Paratus Namibia Holdings Limited
164 - 166 Nickel Street, Prosperitas,
Windhoek, Namibia







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DIRECTORS
H B Gerdes (Chairman) # S H Bruch # S J de Bruin # S L V Z Erasmus # J J Esterhuysen # M R Mostler # J H N Shikongo # A Hill # S R J Hammar ("South African, Independent", Executive)


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
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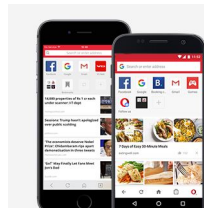
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NEDBANK

Key Performance Indicators

- Headline earnings growth of 72%
- Net Interest Income returned to 61.8%
- Capital Recovery Strong position of 94.62%

Financial Highlights

	2021	2020	2019
Revenue	4,455	4,100	3,880
Net Interest Income	2,540	2,350	2,200
Operating Expenses	(1,850)	(1,750)	(1,650)
Operating Profit	690	600	550
Net Profit	550	450	400
Dividend	100	100	100
Capital Adequacy	94.62%	94.62%	94.62%
Return on Assets	1.25%	1.10%	1.05%
Return on Equity	12.50%	11.00%	10.50%
Cost to Income Ratio	41.5%	42.5%	43.0%
Net Interest Margin	57.9%	57.3%	56.7%
Provision for Credit Losses	1.2%	1.3%	1.4%
Operating Leverage	1.05x	1.05x	1.05x

Approved by the Board

Reviewed by the Auditor

Approved by the Regulator