Integrated Annual Report

FOR THE YEAR ENDED 31 MARCH 2023

2023

novus holdings

Leaders in print and manufacturing

The following icon has been applied throughout the report to direct the reader to additional information or cross-referenced sections.

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About this Report

Welcome to Novus Holdings Limited's integrated annual report. This report provides an overview of our business, and insight into our business model, the risks and opportunities we face, our strategy, governance, remuneration practices and our financial and operational performance for the year ended 31 March 2023.

The report is structured to cover the Group's operations according to its three business segments:

PRINT
- Gravure
- Sheet-fed Heatset
- Security and digital printing
- Coldset
- Publishing

PACKAGING
- Labels
- Flexible packaging

EDUCATION
- Educational content

The content of this report is comparable to the 2022 Integrated Annual Report in terms of the business operations covered, the measurement methods applied and the timeframes used for financial and non-financial data.

FORWARD-LOOKING STATEMENTS

This integrated annual report contains statements about Novus Holdings Limited's plans and its current goals and expectations relating to its future financial condition, performance and results. By their nature, all forward-looking statements involve risk and uncertainty because they relate to future events and circumstances which are beyond Novus Holdings Limited's control including, among other things, the South African domestic and global economic and business conditions and market related risks such as fluctuations in exchange rates.

REPORTING GUIDELINES

In developing the content and format for this report, we applied the following frameworks and regulations for financial and non-financial reporting:

- The King Report on Corporate Governance™ for South Africa 2016 ("King IV™")
- International Financial Reporting Standards ("IFRS")
- Companies Act, 71 of 2008, as amended
- JSE Listings Requirements
- Broad-Based Black Economic Empowerment ("B-BBEE") Regulations of the Department of Trade and Industry ("DTI")
- The International Integrated Reporting Council's ("IIRC") Integrated Reporting <IR> Framework

We improved our sustainability reporting and initiated a process of applying materiality to the Global Reporting Initiative's ("GRI") Sustainability Reporting Standards. We identified the appropriate measurements to facilitate sustainability reporting going forward and this is expanded on in our Sustainability Report, which is available on our website.

DEFINING CONCEPTS

Materiality

We apply the principle of materiality in assessing what information is included in our integrated report. This report focuses particularly on those issues, opportunities and challenges that impact materially on Novus Holdings Limited and its ability to consistently deliver value to our stakeholders in a sustainable manner.

Value

Value creation is the consequence of how we apply and leverage our resources and strategy in delivering financial performance and value for all stakeholders. We focus on improving both the quantum of value delivered and the quality of experience for each of our stakeholders.

Combined assurance

Internal sources of information, together with interviews with senior management, have been used to gather information for inclusion in this report. We employ a combined assurance model to assess and assure various aspects of the business operations, including elements of external reporting.

An internal combined review by management and the Audit and Risk committee, was performed to ensure the accuracy of our reporting content. Whilst this report is not audited, it contains certain information that has been extracted from the full audited consolidated annual financial statements, on which an unmodified audit opinion has been expressed by Novus Holdings Limited's independent external auditors, PricewaterhouseCoopers Inc. ("PwC"), which is available on the Company's website at **www.novus.holdings**. PwC reviews the rest of the report to ensure that it is consistent with the audited financial statements.

The Board takes full responsibility for the preparation of the summarised consolidated financial statements, and confirms that the financial information has been correctly extracted from the underlying full annual financial statements.

Read our Responsible Business Report at **www.novus.holdings.**

BOARD APPROVAL

The Board acknowledges its responsibility for ensuring the integrity of this integrated annual report. The Board has considered the operating context, strategy and value creation model and this report, in the Board's opinion, addresses all the issues that are material to, or could have a material effect on, Novus Holdings Limited's ability to create value. This report fairly presents the integrated performance of the Group.

This report was approved by the Board of Novus Holdings Limited on 14 July 2023.

ANDRÉ VAN DER VEEN
Executive Chairman of Novus Holdings Limited (on behalf of the Board)

FEEDBACK

Novus Holdings welcomes feedback from stakeholders on the value and effectiveness of this report. Any comments, or requests for additional information not covered in this report, can be directed to **investor.relations@novus.holdings** or on +27 21 550 2500. Additional information can also be accessed on the website at **www.novus.holdings**.

Our Business at a Glance

Novus Holdings Limited is one of the largest printing and manufacturing operations in Southern Africa. What started as a small family-run operation over a century ago, has evolved into a solid business listed on the Johannesburg Stock Exchange under the Business Support sector (Share Code: NVS).

OUR OFFERING

Novus Holdings services the country, and customers across sub-Saharan Africa through its print and packaging production of an extensive and diverse range of print and flexible packaging products and solutions, as well as educational content development.

Read more about our **Products** on page 14.

NOVUS PRINT

As the core of the Group, Novus Print holds a large network of printing plants equipped with the most technologically advanced equipment, ensuring highly efficient and fully automated production processes. Our print capabilities extend from short- and medium- to long-run requirements of all printed material including magazines, retail inserts, catalogues, books, newspapers, educational materials and security products.

Publishing

Our various publishing houses, owned and partially owned, offer various print and digital solutions for a diverse range of customers. This includes monthly, bi-monthly, quarterly and annual content production, design & layout, publishing, printing and distribution with a national distribution network.

NOVUS EDUCATION

As the newly acquired subsidiary of the Group, Maskew Miller Learning Proprietary Limited prides itself on being the leading South African provider of innovative, trusted and quality educational content and resources to schools, Technical and vocational education and training ("TVET") and higher education institutions.

NOVUS PACKAGING

This business provides customers with a range of flexible packaging solutions and reliable label printing. Our packaging gravure press, located at our flagship Cape Town plant has the capability to produce wet-glue labels for the beverage industry, wrap-around labels for the carbonated soft drink and bottled water markets, and pressure sensitive labels ("PSL") for the food and beverage markets.

GROUP HIGHLIGHTS

2023

REVENUE
R3 196m
R3 014m [2022]

OPERATING PROFIT/(LOSS) EXCLUDING "OTHER GAINS/(LOSSES)"
R7m
R193m [2022]

EMPLOYEES
1 516

B-BBEE STATUS
Level 2

1905

Paarl Printing Company Proprietary Limited - first issue of the non-political Paarl Post Newspaper published 14 January 1905.

1938

The Retief family purchase the business and continuing expansion necessitated the construction of a new building in New Street. The directors were Nico Retief, Niklaas Retief and Roelof Malherbe who was in charge of the newspaper.

2000-2002

The new millennium arrives and the Paarl Media Group is founded.

In 2002 National Book Printers and Paarl Print are consolidated after their acquisition in the previous year. The new division became known as Paarl Printing.

paarlmedia

2008

Print24 and Paarl Post are acquired and renamed to form Paarl Coldset.

The Paarl Media Bursary Fund Trust is established as a long-term strategy to create career opportunities in a variety of industries for committed learners.

2015

The Group listed on the JSE and re-branded under the banner of Novus Holdings.

Two months after listing on the JSE, the Group announces the acquisition of Digital Print Solutions and the birth of the digital print offering.

novus holdings

2017

The acquisition of ITB Plastics allows the Group to expand its offering into flexible plastic packaging and also signifies the launch of the Group's packaging division, Novus Packaging.

2019

All print entities consolidated under the Novus Print umbrella.

Novus Holdings acquires Mikateko Media, Famous Publishing and 3S Media.

Paarl Labels facility sold to Lebone Litho and the Gravure Labels business rebrands to Novus Labels.

maskew miller learning

2022

The Group acquired a 75% stake in Maskew Miller Learning Proprietary Limited (previously known as Pearson South Africa Proprietary Limited) effective 30 November 2022 which now represents Novus Education within the Group. The acquisition allows the Group to enter the educational content development market and creates synergies with the Group's existing print segment.

OUR VALUES

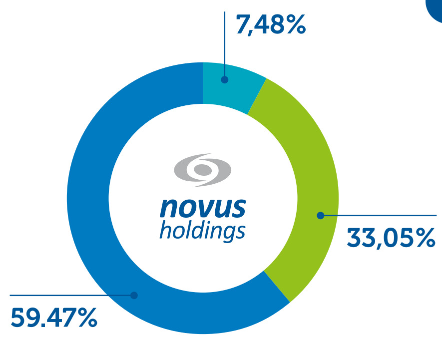
WHERE WE OPERATE

Novus Print has two production facilities in Cape Town, one in Port Elizabeth and one in Gauteng. Novus Packaging has its Labels Printing facility in Cape Town and its Flexible Plastic Packaging facilities in Durban and Gauteng.

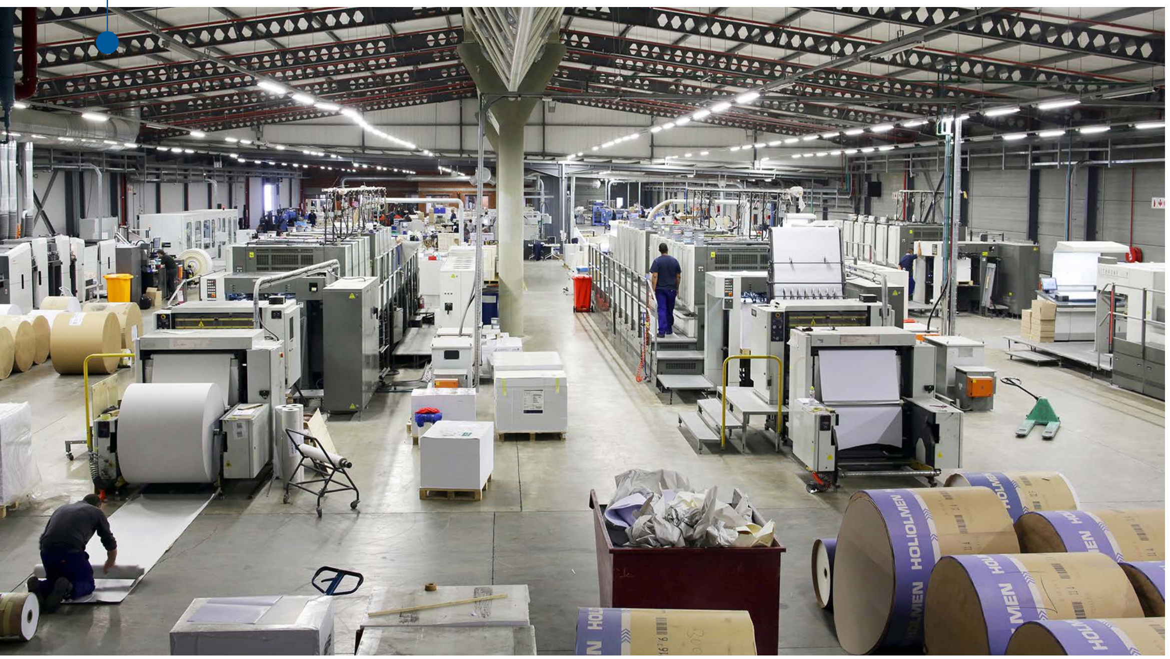
OWNERSHIP PROFILE

- Public shareholders
- Non-public shareholding
- Novus Holdings Share Trust and Novus Holdings subsidiaries*

**Shares allocated to the Novus Holdings Share Trust, Novus Print Proprietary Limited and Latiano 554 Proprietary Limited are currently treated as treasury shares.*



See page 87 for a more detailed analysis of **Our Shareholders**.



GROUP STRUCTURE

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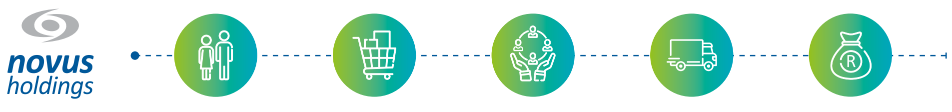
Leaders in print and manufacturing

- **novus print**
  - Montague Gardens
  - Paarden Eiland
  - Port Elizabeth
  - Gauteng
  - SUB-DIVISION: NOVUS PUBLISHING
    - 3S MEDIA
    - FAMOUS PUBLISHING
    - MIKATEKO MEDIA*
  - **Novus Holdings holds a 49% stake in this business.*
- **novus education**
  - maskew miller learning
- **novus packaging**
  - novus labels
  - Flexible Packaging Solutions
    - SUBSIDIARY: PLASLOPE
- **novus tissue**
  - MTHEMBU*
  - **Novus Holdings holds a 49% stake in this business.*
- **novus academy**
  - *Novus Academy is a supporting service to the Novus Holdings Group of companies.*

KEY STAKEHOLDERS

As a responsible business, we are mindful of the impact our decisions have on our stakeholders.



EMPLOYEES
CUSTOMERS
COMMUNITIES
SUPPLIERS *(incl Enterprise and Supplier)*
SHAREHOLDERS & INVESTORS

Read more about our **Engaging effectively with our Stakeholders** on page 18.

Message from the Executive Chairman

The year saw Novus Holdings navigate through challenges experienced in the global and domestic macro-economic environments which tested the Group's ability to remain resilient. While this also informed further decisive actions to be taken, the Group ensured continuous alignment with its strategy to sustain its core Print business, protect its customer base and to review new investment opportunities that presented themselves in-line with the Group's diversification strategy.

ANDRÉ VAN DER VEEN

Despite the difficulties in the operating environment, the Group successfully concluded the acquisition of 75% of the issued share capital of Maskew Miller Learning Proprietary Limited (previously known as Pearson South Africa Proprietary Limited) ("MML") in the financial year.

BOARD CHANGES

Neil Birch retired after serving as Chief Executive Officer of the Group since 2018 and Phumla Mnganga resigned as Chairman and Independent Non-Executive Director with effect from 31 March 2023. Nolovuyo Mkhondo resigned from the Board as Non-Executive Director on the same date.

I would like to extend my sincere gratitude to Neil for his capable and positive leadership of the Company through very challenging times, as well as to Phumla for ensuring cohesive governance at Board level, and to Nolovuyo for her expertise and valued contribution to the Board.

The Board was therefore required to review its composition in light of these vacancies and appointed myself as Executive Chairman with effect from 01 April 2023. Lulama Mtanga has been appointed as Lead Independent Director of the Board, having served on the Board since July 2017.

In addition to the above, Marang Mashologu was appointed as Independent Non-Executive Director to the Board on 01 April 2023. Marang is also a director and shareholder at Sphere Holdings Proprietary Limited ("Sphere"), an established mid-market investment company. Sphere is an investor in MML and therefore, Marang brings with her meaningful experience of MML's history.

The Board is in the process of evaluating its leadership requirements following the departure of the Group CEO and is in the process of identifying suitable candidates for the vacancy. The Board however, remains confident that its current composition is well balanced, sufficiently independent, and diverse to operate effectively within its mandate and provide adequate strategic direction and leadership to the business.

STRATEGY

The Board adopted a strategy of stabilising the current Print business to enhance its sustainability for the long term by restructuring its operations to suit reduced demand. This strategy was embarked on in the last five years with significant rightsizing and rationalisation conducted at the Print facilities, which have now been reduced to four print entities situated in Montague Gardens, Paarden Eiland, City Deep and Port Elizabeth.

Cost containment and overhead extraction remained key, with the remaining businesses operating with a much leaner structure and cost base. Reviewing profitability and significant working capital investment for a large customer contract within the Novus Labels division led to the ultimate exit last year with the division returning to profitability in the current year, showing a significant turnaround with a much smaller customer base.

Returning capital to shareholders still remains part of our strategy despite no dividends being distributed in the current year as these cash reserves were used to partly fund the acquisition of MML. The Group however, managed to return capital in the prior year as evidenced by surplus asset disposals and notable historic dividend distributions in FY2022.

The Group also decided to increase buffer paper stock to counter the unforeseen interruptions in supply and to ensure that customer demand could be met. However, it was noted that the excessive paper price increases could not be fully passed onto customers and so profitability in the current and new financial year would be impacted. Novus Holdings successfully retained the Department of Basic Education school workbook contract together with its consortium partners and completed year one of the contract in FY2023.

The acquisition of MML for a purchase consideration of R842,3 million concluded at the end of November 2022 and has brought about the exciting opportunity for the Group to further grow and diversify its operations into the educational content sector.

TRANSFORMATION

Novus Holdings retained its Level Two B-BBEE contributor status remaining focused on its transformation objectives. The Board and management team persistently explore opportunities to transform the business and develop the local economy. The introduction of an educational content business opens the door to more corporate social initiatives that are aimed at improving literacy and numeracy amongst primary school children.

PERFORMANCE REVIEW

The Group was significantly impacted by supply chain disruptions, highly volatile paper raw material pricing and constrained energy supply mainly affecting our Print segment. This contributed to substantially reduced margins and increased competitiveness in the local print market as input costs could not be recovered from our customers, resulting in newsprint volumes being lost to the market.

Whilst remaining profitable with operating profit of R7 million, there was a significant decline year on year. Revenue however, improved by 6,0% to R3 196 million due to the inclusion of MML, consolidated for four months in the financial year which is typically their low revenue earning period given the cyclical nature of this business.

Print revenue remained flat compared to the prior year with the Retail and Inserts product category remaining the largest contributor to Group revenue due to pricing increases to recover unusually high paper price increases whilst all print product categories experienced volume declines in the year. This is further due to increased pressure on consumer spend and accelerated market declines post COVID-19.

Packaging revenue grew by 3,8% with ITB Flexible Packaging Solutions ("ITB") delivering a strong consistent performance whereas the Novus Labels division saw revenue declines as anticipated following the conscious exit from a large customer contract.

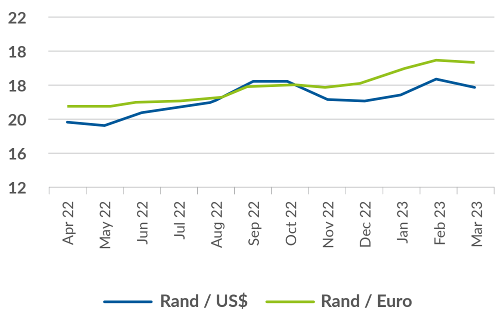
Gross profit margin decreased by 5,6% to 18,8% due to the input cost increases in Print. Although the operational challenges imposed by the increased frequency of power outages throughout the financial year were minimised to the extent possible, unavoidable additional costs of R29,0 million were incurred to generate our own power.

Overhead costs were well contained throughout the business, with prior years' cost savings initiatives continuing to result in a much leaner Group structure and reduced cost base. Once off acquisition related costs, as well as the inclusion of MML, resulted in an overall increase year on year from R541 million to R593 million, whilst on a like for like basis, overhead costs were down 23% compared to FY2022.

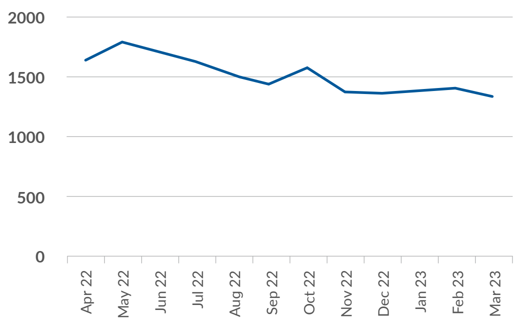
OPERATING ENVIRONMENT

Increased volatility was experienced in the foreign exchange markets due to local and global events which caused foreign exchange rates to rise significantly in the year. Even though the Group has a hedging policy to cover our paper purchases by obtaining forward cover for a forecasted period, the volatility has meant that these hedging strategies were reconsidered, and some discretion applied to mitigate the negative impact on projected margins. This will however, continually be re-evaluated against the set policy. During the year, the reduced oil price impacted the price of polymers as used in the packaging business. While the Group managed to keep these risks well controlled, it does remain a high focus area.

Rand / US Dollar and Euro



Oil Price (ZAR)



Print

Revenue remained relatively flat at R2 377 million with operating profit declining from R155,8 million to an operating loss of R23,7 million.

Overall sales tonnages decreased by 15,3%. All product categories saw a decline in volumes year on year, with Magazines and Newspapers showing the largest volume declines. Gross profit margin decreased by 10,3% from 26,8% to 16,5%.

Operating costs showed a notable reduction of 13,1% despite the inclusion of loadshedding, transaction costs of R14,3 million and restructuring costs in the year. This demonstrated the segment's efforts to extract overheads and benefit from the savings from rationalisation decisions.

Publishing

Contributing 0,4% to Group revenue, the Group's small publication businesses have not yet managed to return to profitability resulting in Novus Holdings deciding to exit these businesses in FY2024.

Packaging

Revenue increased by 3,8% to R659,4 million and operating profit by 62,9% to R61,6 million. ITB demonstrated consistent performance compared to the prior year, with revenue increasing by 17,6% due to growing consumer demand contributing to operating profit increasing by 5,0%. The division incurred retrenchment costs in the year in its Plaslope division.

After several difficult years, the Novus Labels division returned to profitability from a more diversified product range to a reduced customer base and the cancellation of a large but low-margin customer contract in the prior year. Consequently, revenue decreased by 49,5%, but the return to profitability was aided by stronger margins and the impact on overhead costs of restructuring exercises undertaken in the prior year.

Education

MML contributed R156,3 million to revenue and an operating loss of R32,5 million in the four-month period since acquisition. This was largely due to the amortisation of acquired intangibles allocated to the segment amounting to R42,8 million and other timing related costs incurred in March 2023.

CASH GENERATION

The Group closed on a healthy cash balance of R392,2 million whilst funding part of the MML acquisition from cash reserves. The purchase consideration of R842,3 million was settled partly in cash amounting to R342,3 million and introducing a level of gearing in the Group, by obtaining funding of R500 million for the remainder. Take-on cash balances of R206,2 million were recognised from MML.

Net working capital cash inflows of R20 million improved free cash flow mainly due to the inclusion of MML and the working capital recovery in Novus Labels following the restructure of the division contributing positive cash flows, though the significant strategic investment in inventory in Print negated this.

Capital and interest repayments on the outstanding loan balance in the period amounted to R32,4 million with an external dividend of R17,2 million paid to the non-controlling shareholders of MML.

Net capital expenditure, including proceeds on the sale of equipment, amounted to R43,0 million with the acquisition of solar panels at the Montague Gardens Print facility as part of the Group's mitigation plan to address the impact of loadshedding. Other capital expenditure related to ongoing maintenance and some expansionary equipment.

Taxation paid in the period amounted to R103 million mainly related to taxation paid by MML. The Group included a current income tax receivable of R17,4 million at 31 March 2023.

TISSUE

The results include the equity accounted earnings from the former Novus Tissue division which was partially disposed of in FY2021. The business has shown an improvement in profitability mainly because of an increase in revenue and good margin recovery reducing its equity accounted loss in FY2023 to R0,9 million compared to a loss of R7,5 million in FY2022. The associate occupies the Novus Print owned Phoenix property currently classified as investment property generating rental income of R7,4 million in the year.

DIVIDENDS

In light of the significant level of debt introduced to the Group following the MML acquisition, and the required investment to fund the Group's working capital cycle, it has been decided that no dividend be declared at this stage. The Board remains committed to its strategy of ultimately returning cash to shareholders and will continuously review this position and notify shareholders accordingly.

OUTLOOK

Despite the challenging year, the Group was able to successfully conclude a significant acquisition and diversify its operations into educational content. The final few months of the financial year were spent integrating this newly acquired business, and this will continue into FY2024 as synergies are identified across Group entities and rebranding is completed. Even though not a significant contributor in the current period given the timing of the acquisition, it is anticipated that the educational content division will perform at least at its historic profit levels in FY2024.

Both the global and domestic environments are expected to remain volatile in the short- to medium-term, impacting both cost and revenue drivers.

Global supply chains have begun to ease with paper pricing having hit its peak in the current financial year and with some respite at present. Strategically increasing inventory levels up to 31 March 2023 has meant that foreign paper stock purchases can now be curbed to a certain extent, with a strong focus on decreasing current stock levels, it is anticipated to have these significantly reduced by the end of FY2024.

Whilst paper pricing is gradually reducing, it will take some time to reflect this benefit in the new financial year until the higher priced inventory currently on hand is fully utilised. The Group is confident in its Print business model even though higher paper prices will affect profitability in the short term.

The benefits of leaner organisational structures are expected to flow through to operating profit after the once-off costs incurred in the current year, while initiatives to curb the negative impact of loadshedding are expected to limit interruption and reduce related expenses. These include a solar power installation and load curtailment programmes at qualifying sites.

The Novus Print Linbro Park property has been sold, with all conditions fulfilled by 18 May 2023, with the transfer process underway. The conclusion will see gross proceeds of R125 million improve cash flow generation in FY2024.

GRATITUDE

Thank you to the leadership team and all employees of Novus Holdings for their continued commitment despite the challenging circumstances and changes experienced in the year. Lastly, a kind thank you to all our stakeholders for their ongoing support throughout the year.

A VAN DER VEEN
Executive Chairman

Business Model

OUR INPUTS | **PRODUCTION AND DISTRIBUTION ACTIVITIES** | **OUTPUTS PER CAPITAL**

OUR SIX CAPTIALS

- FINANCIAL
- MANUFACTURED
- INTELLECTUAL
- HUMAN
- SOCIAL AND RELATIONSHIP
- NATURAL

Read more about our **Six Capitals** on page 16.

PRINT

PRODUCTS

- Retail inserts and catalogues
- Magazines
- Newspapers
- Books and directories
- Publishing

SPECIALISED PRINTING PLANTS
4

EMPLOYEES
817

FLOOR SPACE
74 477 m²

74,4% of Group revenue

Read more about **Our Products** on page 14.

FUNDING GROWTH

PACKAGING

PRODUCTS

- Flexible plastic packaging products
- Wet-glue labels
- Wrap-around labels
- Pressure sensitive labels

PLANTS
2

EMPLOYEES
532

FLOOR SPACE
32 108 m²

20,6% of Group revenue

EDUCATION

PRODUCTS

- CAPS – approved textbooks and content
- Literacy resources
- Library and supplementary resources
- Higher Education textbooks and content
- TVET textbooks and content
- eBooks
- Trade books

EMPLOYEES
167

4,9% of Group revenue

COMPETITIVE ADVANTAGE | SCALE | LEADING TECHNOLOGY | SUSTAINABLE SOURCING

FINANCIAL

- R17 million free cash generated
- Retained earnings of R2 114 million

MANUFACTURED

- Increased through expansion of operations (entry into new markets)

INTELLECTUAL

- 264 apprentices have successfully completed their trade tests at the Novus Academy since 2011
- New skills and expertise brought into the Group as a result of diversification initiatives

HUMAN

- Succession planning
- B-BBEE initiatives
- Employee training

SOCIAL AND RELATIONSHIP

- Expanding network of and relationships with customers, suppliers, business partners and service providers

NATURAL

- Carbon footprint – 42 173 tonnes of CO_2 Emissions
- Continued focus on reduction of stock of raw materials (incl paper and ink) and resources (water and electricity)
- Waste management practices facilitate the recycling of paper waste products, and the responsible management and disposal of, or recycling of plates and copper used in printing, as well as toluene from ink

Read our Responsible Business Report at **www.novus.holdings.**

VALUE CREATED

	2023	2022
SHAREHOLDERS & INVESTORS		
Headline (loss)/earnings per share (cents)	(7,35)	53,2
Dividends paid per share (cents per share)	0,0	40,0
CUSTOMERS		
High-quality products and services at competitive prices supported by personalised and exceptional client service		
EMPLOYEES		
Employee benefits and remuneration paid (R'm)	510,8	503,6
Skills development spend (R'm)	9,8	11,3
% black employees	85,2%	86,0%
SUPPLIERS (incl Enterprise and Supplier)		
Paid to suppliers (R'm)	2 553,3	2 224,8
Investment in enterprise and supplier development (R'm)	16,3	9,0
COMMUNITIES		
Corporate social investment spend (R'm)	4,3	1,0
Company's tax paid (R'm)	102,5	51,2

Our Products

Our business is divided into four operational segments, each producing a variety of products suited to their respective markets.

PRINT

Product	Description	REVENUE % 2023	REVENUE % 2022
RETAIL INSERTS AND CATALOGUES	▪ Brochures, leaflets and catalogues ▪ Reports and calendars ▪ Retail inserts for the majority of South African retailers	32,4%	32,1%
MAGAZINES	▪ Audit Bureau of Circulations (ABC)-listed magazines ▪ Trade magazines ▪ Club magazines ▪ Free-to-market magazines	3,6%	5,5%
NEWSPAPERS	▪ Daily, weekly and community newspapers	8,0%	8,8%
BOOKS	▪ Workbooks for the Department of Basic Education ▪ Hard- and softcover books for leading publishers ▪ Telephone directories	30,0%	31,8%
PUBLISHING	▪ Community Magazines ▪ Digital Magazines ▪ Internal Publications ▪ Trade Publications	0,4%	0,5%

PACKAGING

Product	Description	REVENUE % 2023	REVENUE % 2022
LABELS	▪ Pressure Sensitive labels ▪ Wet-glue labels ▪ Wrap-around labels ▪ Digital personalised labels	2,1%	4,3%
FLEXIBLE PLASTIC PACKAGING PRODUCTS	▪ 'Form fill and seal' films for dry goods (food and non-food) ▪ Industrial bulk packaging ▪ Retail check out bags ▪ Tamper evident security bags ▪ Courier envelopes ▪ General plastic packaging	18,5%	16,8%

EDUCATION

Product	Description	REVENUE % 2023	REVENUE % 2022
EDUCATIONAL CONTENT DEVELOPMENT	▪ CAPS – approved textbooks and content ▪ Literacy resources ▪ Library and supplementary resources ▪ Higher Education textbooks and content ▪ TVET textbooks and content ▪ eBooks ▪ Trade books	4,9%	0%

OTHER SEGMENT

Description	REVENUE % 2023	REVENUE % 2022
▪ Rental/sundry income	0,1%	0,2%

Six Capitals

Our six capitals represent the stores of value that are the basis of our value creation, and the inputs into our business model. These capitals are increased, decreased or transformed by our activities.

FINANCIAL CAPITAL

Our reserves, shareholder and debt funding ensure that we have a strong capital base that supports our operations and funds future growth.

Read more about our **Financial and Operational Review** from page 28.

EQUITY
R2 217m

GEARING
23,2%

RETAINED EARNINGS
R2 114m

MANUFACTURED CAPITAL

Our factories, industry-leading technology, warehouses and distribution network throughout Southern Africa.

Read more about our **Financial and Operational Review** from page 28.

Unencumbered property portfolio with a book value of
R202m
at 31 March 2023

4 PRINT PLANTS

2 PACKAGING PLANTS

INTELLECTUAL CAPITAL

Our trusted brand, industry expertise, strategic partnerships and innovative product solutions.

THE **NOVUS HOLDINGS** BRAND

PRODUCT SOLUTIONS

INDUSTRY EXPERTISE

DISTRIBUTION LOGISTICS

HUMAN CAPITAL

Our human capital is essential to our strategic performance and because we recognise that our employees are our most valuable asset, we continually invest in the training, education and benefits of our employees.

EMPLOYEES
1 516

139 YEARS
Combined executive management industry experience

269 YEARS
of combined operational management industry experience with an average tenure of
13 YEARS
at Novus Holdings

SOCIAL AND RELATIONSHIP CAPITAL

Our social and relationship capital is based on maintaining long-standing relationships with our customers, suppliers, employees and investors. Our social and relationship capital further extends to the relationships we hold with the communities in which we operate, and the value we create through our various enterprise development and supplier development initiatives.

Leader in sustainability and social responsibility

Long-standing relationships with suppliers

Diversified customer base spanning retailers, newspapers, educational institutes, leading magazine titles, book publishers, food producers, soft drink and alcoholic beverage manufacturers.

Read our Responsible Business Report at **www.novus.holdings.**

NATURAL CAPITAL

Our business relies on a secure supply of raw materials for the production of our products. This includes paper, pulp, ink, polymers, water and electricity.

We use environmentally sustainable paper stock options and have implemented a range of sustainable production and manufacturing initiatives.

Management is cognisant of the widespread pollution caused by irresponsible plastic waste management and lack of plastic recycling once the products are in the hands of the consumer. Novus Holdings is driving innovation around multi use and recyclable plastic packaging products where the functionality of plastic remains essential.

WATER USAGE
134 968 kl
per annum

ELECTRICITY USAGE
54 743 398 kwh
per annum

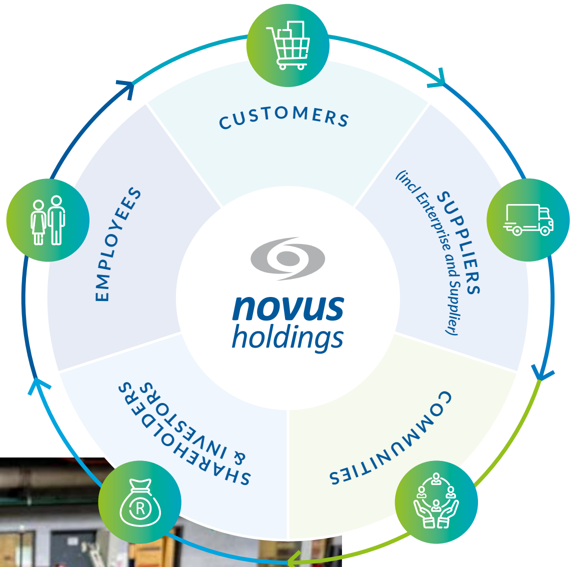
CARBON FOOTPRINT
42 173 TONNES
CO_2 emissions

Engaging effectively with our Stakeholders

Our business forms part of a wider socio-economic ecosystem. We engage with various internal and external stakeholders that have an interest in our Group and on whom our business has an impact. We are mindful of the influence that our decisions have on our employees, customers, suppliers, communities and investors. Therefore, our commitment to good corporate governance sits at the core of all our stakeholder engagements.

UNDERSTANDING THE ROLE OF OUR STAKEHOLDERS IS IMPORTANT TO US

Our stakeholder engagement practices actively support the Group's strategy and business operations; and aims to build sustained business value and relational capital. As a responsible business, our ability to create long-term sustainable value relies on continuous, constructive and transparent engagement with all stakeholders. As such, all the platforms we create for stakeholder engagement are open, and inclusive.



EMPLOYEES

We engage with our employees daily during the normal course of business, and formal one-on-one engagements are undertaken through bi-annual performance reviews with career and personal development discussions. Other platforms such as quarterly business and strategy updates, corporate roadshows, regular electronic employee communications and briefings, employment equity forums, and publications keep employees informed about operational and strategic issues and priorities. Continuous efforts are also made to raise awareness on issues that could affect employee safety, health and wellness and other HR-related matters.

SUPPLIERS *(including Enterprise Development)*

The interests and concerns of suppliers are identified in the normal course of business through electronic, telephonic and face-to-face engagements. Suppliers are briefed to adhere to our code of conduct and all suppliers are thoroughly vetted before they become part of our supply chain, and then monitored throughout. Contract and performance management include regular reviews and assessments are also conducted through supplier audits.

CUSTOMERS

Customer engagements are essential in building and improving relations. Regular engagements are held in person where possible, telephonically or via online platforms. Bi-annual customer surveys assist in managing service levels and also provide clear and comprehensive input in identifying customer requirements, interests and concerns. Regular updates are also shared on our organisational performance and how we are committed to providing the best value proposition.

SHAREHOLDERS & INVESTORS

We provide trading updates and notifications to our shareholders and address key issues and concerns through SENS announcements, results presentations and meetings. We interact with and encourage feedback from investors and analysts through ongoing engagements including face-to-face meetings, telephone calls and email correspondence. Further interaction with shareholders is also facilitated through the Integrated Annual Report, Interim and Annual Results Presentations and the Annual General Meeting.

COMMUNITIES

We are actively committed to making a sustainable difference in the communities in which we operate through supporting relevant education support programmes, as well as upskilling and training opportunities. We always ensure to align with Government's call for corporates to assist with education initiatives and community development programmes.

Material Matters

These material matters are issues that will impact our ability to create sustained value over the short- and medium-term for all our stakeholders.

#1 EXCHANGE RATE VOLATILITY AND COST MANAGEMENT

RISKS

- The risk exists that the prices of paper, polymer and/or substrate (in excess of 50% of our cost base) increase abruptly due to pricing factors within the global supply chain and/or a weakening Rand, which results in lower profits.

OPPORTUNITIES

- We distinguish our offering by providing customers with predictable pricing, enabled by a foreign exchange forward-cover policy, which softens the impact of a volatile Rand. This ensures that our pricing remains competitive.

OUR RESPONSE

Forward-cover

- We follow a forward-cover policy to reduce the impact of currency volatility. This provides the Group and our customers with a level of protection from major fluctuations in the Rand.

Long-term agreements

- We have long-term agreements in place with our suppliers that are revised and negotiated annually and pass any benefit of these terms on to our customers.

Other

- As evident in the Print segment's financial performance for FY2023, the Group experienced excessive raw material price increases together with increased logistical costs. Whilst this is understood to potentially be temporary, recovery of this pricing from the market may not be possible. The Group has strategically increased its stockholding to offset some of this impact and will continually explore avenues to negotiate reasonable pricing and expand its supply channels where required.

#2 SECURITY OF SUPPLY OF RAW MATERIALS, ELECTRICITY AND WATER

RISKS

- A breakdown in the supply of raw materials and/or water could result in significant business disruptions and the loss of revenue.
- Rising electricity costs and the ongoing threat of fluctuations in supply (loadshedding) pose a risk to the Group's operations and can result in loss of revenue.
- Interrupted supply of diesel for the generators exposes our business to the impacts of loadshedding and ultimately, a loss of revenue.

OUR RESPONSE

Raw material

- We have long-term supplier agreements and procurement processes in place. Through our annual paper tender process for example, the Group secures tonnages at the start of the calendar year.
- We have multiple suppliers for raw materials in order to reduce dependency on one supplier and ensuring the uninterrupted supply of raw materials.
- In light of the recent challenges, the Group is exploring more alternatives for sourcing paper raw materials.

Electricity

- The Group has disaster recovery and business continuity plans in place. All printing facilities are equipped with generator capacity, which supplies electricity to the sites for the duration of an outage. This is however, only viable for limited periods on time-sensitive projects as it is prohibitively expensive to run for extended periods.

Diesel supply

- This risk is mitigated to an extent by proactive management of diesel procurement and storage as a strategic resource.

Water

- We have implemented a range of water saving initiatives to measure and decrease consumption of water across our production processes. Water back-up and storage facilities have also been built at a number of our operations.

#3 LOSS OF KEY CONTRACTS AND DECLINE IN GENERAL PRINT VOLUMES

RISKS

- Key contracts are cancelled, or not renewed and we lose print market share in a shrinking market. Key contracts include government and other key customers. The loss of these contracts could lead to significant repurposing and further restructuring of operations.
- We are unable to replace lost print revenue through diversification or repurposing initiatives.
- Curriculum change uncertainty can lead to loss of key contracts.

OUR RESPONSE

Service and products

- Ongoing focus on quality, service and price to meet specific customer demands in line with their internal policies and procedures, specifically for government contracts, thereby allowing competitive bidding for new tenders.
- Continue to maintain strong customer relationships, supported by exceptional customer service.
- Our product offering provides customers with a wide range of printing services in the industry.
- Better understand future political and regulatory trends to be easily adaptable in meeting customer needs.

Marketing and compliance

- Intensive business development and marketing initiatives.
- Maintaining a compliant B-BBEE status which supports our transformation plan.

Our scale

- We have a proven ability to deliver on long-run print publication work, notwithstanding the capacity alignment.

Diversification

- We continue to consider diversification opportunities where it adds value to our core businesses.
- We are focusing our drive for Africa work on an ongoing basis, where we have in the past proven to operate profitably.

#4 INEFFICIENT OPERATIONS AND CAPACITY UTILISATION

RISKS

- Operational breakdown of key machinery that results in failure to meet customer volume and/ or quality requirements.
- Inability to manage fixed costs during idle periods that impacts negatively on profitability.
- Inefficient management of manufacturing capacity that negatively impacts productivity and ultimately revenue.

OUR RESPONSE

Enterprise resource planning (ERP) systems

- The Group has industry dedicated ERP systems within our plants to assist with streamlining production and effectively managing capacity between plants.

Efficiency targets and ongoing review

- Incentive-based remuneration by setting efficiency targets in our plants.
- Ongoing review and focus on plant profitability and return on net assets.

Maintenance

- Clear and detailed maintenance plans are in place for all our operations.

Innovation

- Innovative solutions to leverage our manufacturing competencies and capacity to accommodate non-traditional printing contracts.
- All plants are optimally staffed with a flexible workforce.
- A standardisation programme has been embarked on to limit stock variants and optimise processes, ultimately leading to improved efficiencies.

#5 LABOUR RELATIONS AND EMPLOYEE WELL-BEING

RISKS

- Industrial action can lead to loss of revenue across all divisions, as well as a breakdown in trust and the loss of employee motivation and engagement.
- The Group not complying with the latest labour legislation, incurring sanctions and reputational damage as a result.
- High turnover of employees can create an environment with a reduced emphasis on safety culture. This can lead to the loss of key business knowledge, which in return can lead to the loss of customers.

OPPORTUNITIES

- The opportunity exists to distinguish Novus Holdings as the employer of choice in the sector, thereby attracting and retaining talent.
- COVID-19 highlighted opportunities where we could be more efficient, and how we can further improve processes by embracing digital processes in the back office, thus streamlining functions for employees aiding in improving their output, without adding further workload

OUR RESPONSE

Engaging unions

- We have continued engagement with various unions relevant to our operations. We have good relationships with the printing industry unions and with the packaging and plastic sector unions.

Skills development

- We have meaningful skills development programmes in place through the Novus Academy and on the job training of apprentices, creating depth and "bench strength" in operational, managerial and leadership ranks.

Adherence to labour legislation

- We perform ad-hoc audits to ensure the Group remains compliant with the minimum wage legislation and other labour regulations.

Safe and productive working environment

- We are focused on providing a safe and productive working environment for our employees, with extensive focus on employee health and safety.

#6 FINANCIAL PERFORMANCE AND PROFITABILITY

RISKS

- Margins for print and publishing work in general are under pressure. This creates the risk that we are unable to reduce operating costs and capital structure, in line with the changes in the industry in a timely manner.

OPPORTUNITIES

- As a result of the pressure on the industry, we expect competitors to slowly exit the industry. We will actively pursue the potentially profitable customers that remain.

OUR RESPONSE

- We continue to review our cost structures, and have been moving to a leaner structure, with a smaller geographic footprint specifically within our Print operations.
- We focus on work where we can achieve the highest margin given our structure.

Our Strategy

Our strategy is based on the aspiration to be an admired, world-class, dynamic and diversified organisation, by unlocking sustainable value for our stakeholders.

While our medium- to long-term strategy remains unchanged, our short-term focus required an understanding of and response to industry trends influenced by the impact of COVID-19. A number of key focus areas were expedited into the short-term, and implemented in FY2022 – FY2023.

KEY FOCUS

The **four strategic objectives** for the Group highlight the focus on sustainability, a continued intense management of expenses and confidence, while sustaining market share and exploring alternate avenues for revenue that are in line with our core capabilities.

Strategic focus areas

1

Ensure optimal Group capital structure and operations to match market demand

MATERIAL MATTER ADDRESSED

#4 INEFFICIENT OPERATIONS AND CAPACITY UTILISATION

PROGRESS FY2023

- Group structure has been further trimmed to suit circumstances, assets earning suboptimal returns were identified and liquidated with a continued emphasis on maximising return on funds employed.
- Optimised net working capital by improving debtors' collections and stability of the debtors' book whilst inventory levels were increased to address some of the recent global raw material challenges.
- Appropriately sized remaining facilities and streamlined the Group's structure making for a much leaner structure and fit for purpose.

FUTURE FOCUS

- Last of surplus asset sales to be realised.
- Strong focus on reduction of inventory levels in Print.
- Continue to track ROAs per facility on a regular basis and take corrective measures where required.
- Identify ways to further optimise/reduce net working capital requirements.
- Scrutinise our product offering to maximise profitability and return.
- Review all contracts on renewal ensuring that pricing reflects capital employed in the full process.

2

Sustain our market share and position of strength, and grow revenue contribution through leveraging our technology

MATERIAL MATTER ADDRESSED

#3 LOSS OF KEY CONTRACTS AND DECLINE IN GENERAL PRINT VOLUMES

#4 INEFFICIENT OPERATIONS AND CAPACITY UTILISATION

PROGRESS FY2023

- The successful acquisition of Maskew Miller Learning Proprietary Limited which expands the Group's existing operations and could lead to further synergies with the Print segment.
- Heightened focus on existing customer relationships, and nurtured customers through challenging circumstances to support the retention drive.
- Research and development in diversifying product offering through repurposing equipment, to broaden customer base and grow existing customers.

- Review of MML's digital strategy to ensure optimal placement.
- Integrate MML in the Group and identify synergies with Print.
- Enhanced focus on offering a high-level service by being agile, responsive, and innovative.
- Target growth opportunities in the African market, especially in the education and governmental sectors where the Group already offers expertise.
- Focus on improving the margins and profitability of the non-traditional printing operations.
- Explore extended product offering through repurposing equipment, and extend customer base, by targeting opportunities in related customer markets and peripheral channels.
- Pursue more transactional export opportunities.

3

Drive operational efficiencies

MATERIAL MATTER ADDRESSED

#2 SECURITY OF SUPPLY OF RAW MATERIAL, ELECTRICITY AND WATER

#6 FINANCIAL PERFORMANCE AND PROFITABILITY

PROGRESS FY2023

- Effectively managed through perpetual assessment of individual plant performance against targets and reduced excess capacity with an increased sense of urgency.
- Rationalised and standardised product offerings to avoid inefficient run-length and stockholding.

FUTURE FOCUS

- Improving press utilisation, waste minimisation and the analysis of optimum productive capacity.
- Continue to assess individual plant performance against targets and respond with corrective measures when required.
- Further rationalising and standardising of product offerings to avoid inefficient run-length and stockholding.

4

Nurturing a formidable and multi-disciplinary workforce, while continuing to transform our business

MATERIAL MATTER ADDRESSED

#5 LABOUR RELATIONS AND EMPLOYEE WELL-BEING

PROGRESS FY2023

- Effectively managed empowerment initiatives, resulting in retaining a B-BBEE Level Two status.
- Continued usage of scorecard tracking system to monitor and maximise B-BBEE spend and point accumulation.

FUTURE FOCUS

- Focus on maintaining B-BBEE Level Two status and drive further improvement in our transformation.
- Focus on development of talent, and nurturing and growing employees to ensure retention.
- Further focus on upskilling and multi-skilling of employees.

Our strategy also addresses the key risks and leverages the primary opportunities we as a business are facing in the context of our operating environment, using our material matters as our guiding principles. Our strategy is a response to:

- Our operating context, including the general industry drivers of change, as described from page 9.
- The expectations and concerns of our stakeholders, as outlined from page 18.
- Our material risks and opportunities, as outlined on page 20.

HOW WE MEASURE AND MONITOR PROGRESS

Executive management and the Board are committed to metrics and targets linked to strategic key performance indicators, thereby ensuring that management reward is aligned to our shareholder interests. Strategic implementation is tracked and is shared with the Board on a quarterly basis. It focuses on both financial and relevant non-financial metrics, while considering the broader contextual business impacts of the Group in a consistent and robust manner.

Financial and Operational Review

Financial key performance indicators
for the year ended 31 March 2023

	Revenue	Gross profit %	Headline (loss)/earnings	Headline (loss)/earnings per share (HEPS)
FY2023	**R3 196 million**	**18,8%**	**(R23,6 million)**	**(7,4 cps)**
FY2022	R3 014 million	24,4%	R162,2 million	53,2 cps
Movement	R182 million	(5,6%)	(R185,8 million)	(60,6 cps)
Commentary	**Print revenue** comprised 74,4% (2022: 78,7%) of total revenue. Overall print volumes decreased by 15,3% (2022: +7,1%), mainly in the Magazines and Newspapers categories. However, revenue remained stable, increasing by 0,3% due to abnormal trading conditions experienced. **Packaging revenue** comprised 20,6% (2022: 21,1%) of total revenue. ITB's revenue improved by 17,6% due to increased demand. Novus Labels revenue decreased by 49,5% due to the exit of a key customer contract in the prior year. **Education revenue** comprised 4,9% (2022: Rnil) of Group revenue. Education revenue relates to 4 months' revenue from MML acquired effective 30 November 2022. **Other revenue** contributed to 0,1% (2022: 0,3%) of Group revenue.	**Gross profit margin** decreased due to the inability to pass on excessive paper price increases in the Print segment. Packaging revenue margin was up 2,6% due to the improvement in Novus Labels margin as a result of the exclusion of low margin work produced in FY2022.	**Headline earnings** normalises the earnings for the year under review by excluding the following material items: ▪ Net Impairment charge of R20,5 million (2022: R69,1 million) incurred on property, plant and equipment ("PPE"). ▪ R1,3 million profit on sale of redundant plant and machinery. ▪ R100,1 million gain on bargain purchase relating to the acquisition of MML.	

* *Refer to page 100 for the definitions of these financial metrics.*

Read more about the individual operating segment's performance from page 32.

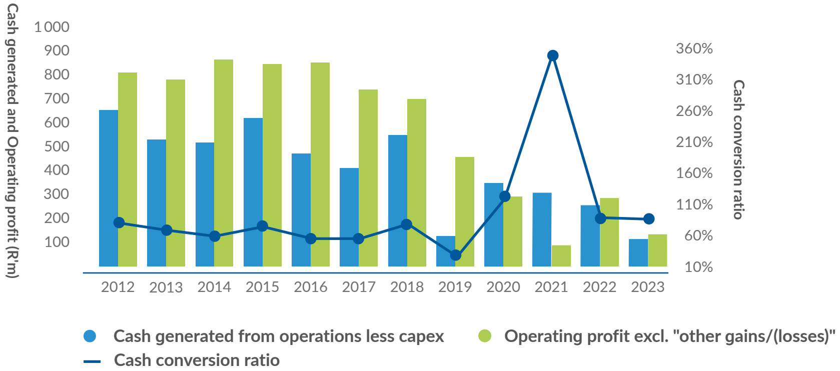
Financial key performance indicators
for the year ended 31 March 2023

	Earnings per share (EPS)	Free cash flow	Cash conversion ratio*
FY2023	**18,9 cps**	**R17,0 million**	**86,2%**
FY2022	30,4 cps	R312,2 million	90,1%
Movement	(11,5 cps)	(94,6%)	(3,9%)
Commentary	Earnings per share decreased due to a poorer operating performance in the year. Paper price increases and increased loadshedding costs within Print and the amortisation of intangibles recognised on acquisition of MML all negatively impacted earnings.	**Free cash flow** generated by the business decreased mainly due to the following: ▪ Higher taxation paid by the newly acquired MML. ▪ Increased investment in property, plant and equipment and intangibles. ▪ Increased investment in working capital in the Print segment.	Cash conversion still remains strong, with the slight decrease due to increased investment in working capital in the Print segment.

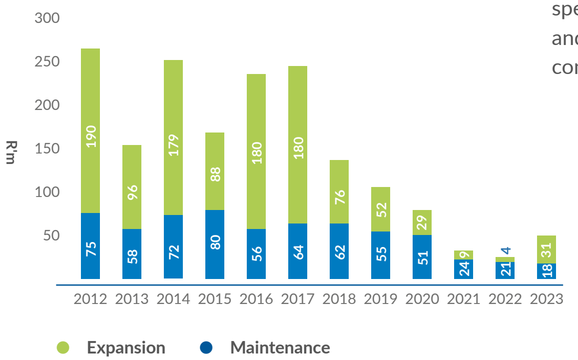
Revenue per segment

Segment	FY2023 R'000	% of Group revenue	FY2022 R'000	% of Group revenue
Print	2 377 812	74,4%	2 371 270	78,7%
Packaging	659 361	20,6%	635 400	21,1%
Education	156 353	4,9%	–	–
Tissue	2 099	0,1%	7 563	0,2%
Total	3 195 625		3 014 233	

High cash flow generation



Capex overview (excl. Intangibles) (R'm)



CAPITAL EXPENDITURE

Capital expenditure has increased with R48,9 million spent in the current year, on both maintenance and expansion, with the solar project within Print comprising R15,0 million of this expenditure.

DEBT

Group debt levels have increased as a result of incurring new long term borrowings in order to partially fund the purchase of MML. The gearing level has increased to 23,2% (2022: 1,5%). Lease liabilities recognised in accordance with IFRS16: Leases have remained in line with prior year.

IMPAIRMENTS

The Group recognised an impairment of property, plant and equipment of R20,5 million (2022: R69,1 million). An impairment charge of R16,9 million was accounted for in the Print segment (2022: Rnil) and R3,6 million within the Packaging segment (2022: R69,1 million). The R69,1 million impairment charge in the prior year relates to assets within the Packaging segment which were impaired to their recoverable amount mainly due to the exit of a large customer contract impacting the future cash flows of the Novus Labels division. This also led to an impairment of goodwill in the division amounting to R16,7 million.

PROPERTY

The Group's property portfolio had a carrying amount of R511,5 million (R502,8 million). The increase in the year relates to the capitalisation of the Solar project within Print. Three Group owned properties with a carrying amount of R309,4 million have been pledged as security for increased working capital facilities obtained in the year whilst R202,1 million remains unencumbered. The carrying amounts of the property are considered appropriate based on current market sales and supported by independent valuations performed in the last three years.

This portfolio is classified on the statement of financial position as follows:

(a) Property, plant and equipment of R339,3 million
This pertains to property occupied by the Print and Novus Labels divisions and is owner occupied property of the Group.

Long-term debt equity ratio

(b) Non-current assets held for sale of R109,9 million
The Novus Print: Linbro Park building was actively marketed for sale. A binding sale agreement was entered into during the current year, with a purchase consideration of R125,0 million. The conditions precedent were fulfilled subsequent to year-end in May 2023 resulting in the sale being unconditional. The registration of transfer has commenced.

(c) Investment property of R62,3 million
The former Tissue property is currently leased to the Group's associate, Mthembu Paper Mill Proprietary Limited.

Segmental review

PRINT

	Revenue	Gross profit	Gross profit %	Operating (loss)/profit	Operating (loss)/profit %
FY2023	**R2 378 million**	**R393,0 million**	**16,5%**	**(R23,7 million)**	**(1,0%)**
FY2022	R2 371 million	R635,4 million	26,8%	R155,8 million	6,6%
Movement	R7 million	(38,2%)	(10,3%)	(R179,5 million)	(7,6%)
Commentary	Overall tonnages were down 15,3% but revenue remained flat, increasing by 0,3%, mainly due to the abnormal trading conditions experienced. Whilst some product categories showed revenue growth year-on-year due to a higher selling price per ton, volumes were down in all categories.	Despite the fact that sales prices were increased to absorb the excessive paper cost prices, this was insufficient given the extremity in increases and severely impacted gross margin. This related mainly to clients printing on newsprint in competing with the local newsprint price. Margins were well managed for all other paper grades to the extent possible.		Despite operating costs being well controlled and declining, the increase in material costs negatively impacted operating profit. Operating costs were well controlled, declining by 13,1% in the year. On a normalised basis after excluding once off costs in both years, operating costs have decreased significantly.	

Performance of various print segment product categories

	2023 Share of revenue	2023 Actual R'000	2022 Share of revenue	2022 Actual R'000	YoY growth/ (decline) Volume
Magazines	**3,6%**	**113 765**	5,5%	166 832	(47,1%)
Retail inserts & catalogues	**32,4%**	**1 035 976**	32,1%	967 679	(15,4%)
Books	**30,0%**	**958 912**	31,8%	959 016	(6,3%)
Newspapers	**8,0%**	**255 575**	8,8%	264 435	(17,6%)
Publishing	**0,4%**	**13 584**	0,5%	13 308	0,0%
Total Printing	74,4%	2 377 812	78,7%	2 371 270	(15,3%)

MAGAZINES

Magazine volumes decreased significantly by 47,1%, mainly due to the loss of a key contract in the prior year as well as general market decline due to a number of title closures in the preceding years.

RETAIL INSERTS AND CATALOGUES

Retail inserts and catalogues declined by 15,4% mainly as a result of newsprint volumes lost to market.

BOOKS

Books volumes decreased by 6,3% overall which can be further analysed as follows:

Directories

Directories volumes declined by 42,5% from prior year due to the reduced demand of telephone directories, with information being available electronically, a drop in quantities and pagination occurred in the year.

Books

Books volumes decreased by 4,5% year on year due to a decrease in project work.

NEWSPAPERS

Newspaper volumes declined by 17,6% as a result of accelerated market decline post COVID-19.

PACKAGING

	Revenue	Gross profit	Gross profit %	Operating profit	Operating profit %
FY2023	**R659,4 million**	**R113,3 million**	**17,2%**	**R61,6 million**	**9,3%**
FY2022	R635,4 million	R92,7 million	14,6%	R37,8 million	6,0%
Movement	R24,0 million ↑	22,2% ↑	2,6% ↑	R23,8 million ↑	3,3% ↑
Commentary	ITB saw an increase in revenue of 17,6% compared to the prior year due to increased consumer demand. Novus Labels revenue decreased by 49,5% following the exit of a key customer contract in the prior year.	ITB achieved a gross profit margin of 16,3% compared to 17,7% in the prior year. The decline was minimised by recovering raw material cost increases and extracting cost efficiencies through production as far as possible. Novus Labels division's gross profit margin increased from 2,4% to 25,5% as a result of the exit of a customer contract in the current year which produced low margin work in FY2022.		The increase in turnover coupled with a strong recovery of gross profit margin led to a 62,9% increase in operating profit compared to the prior year. Overhead costs extracted in Novus Labels together with good cost containment in ITB led to an overall reduction in operating costs of 5,7%.	

EDUCATION

MML is included within the Education segment and contributed R156,3 million to revenue and an operating loss of R32,5 million in the four-month period since acquisition. This was largely due to the amortisation of acquired intangibles allocated to the segment amounting to R42,8 million and other timing related costs incurred in March 2023. The particular four-month period included in these first consolidated results is traditionally a very low revenue period in this very cyclical business.

Value added statement

for the year ended 31 March 2023

	Group 2023 R'000	%	Group 2022 R'000	%
Revenue	3 195 625		3 014 233	
Cost of generating revenue	(2 553 329)		(2 224 779)	
Value added	642 296		789 454	
Finance income	21 284		11 763	
Wealth created	663 580	100,0	801 217	100,0
Wealth distribution:				
Employees				
Salaries, wages and benefits	510 849	76,98	503 568	62,85
Providers of capital	32 858	4,95	203 481	25,40
Dividends to shareholders	—	—	203 476	25,40
Finance costs	32 858	4,95	5	0,00
Governments				
Total tax paid	102 512	15,45	51 173	6,39
Reinvested in the Group	17 361	2,62	42 995	5,37
Depreciation and amortisation	124 802	18,81	87 933	10,97
Impairments	22 144	3,34	94 837	11,84
Retained earnings	(129 585)	(19,53)	(139 775)	(17,45)
Wealth distributed	663 580	100,0	801 217	100,0

Five-year financial review

Profit Performance	Actual 2023 R'000	Actual 2022 R'000	Actual 2021 R'000	Actual 2020 R'000	Actual 2019 R'000
Revenue	**3 195 625**	3 014 233	2 837 939	4 112 092	4 331 800
Growth	**6,0%**	6,2%	(31,0%)	(5,1%)	0,6%
Gross profit	**600 391**	734 021	540 348	767 696	944 022
Margin	**18,8%**	24,4%	19,0%	18,7%	21,8%
Operating profit	**83 562**	160 863	(27 438)	(395 055)	276 831
Operating profit excluding other gains/(losses)	**6 938**	193 123	(19 773)	126 461	293 522
Margin	**2,6%**	5,3%	(1,0%)	(9,6%)	6,4%
Margin excluding other gains/(losses)	**0,2%**	6,4%	(0,7%)	3,1%	6,8%
Profit for the period after tax	**59 593**	92 807	(23 462)	(343 972)	170 353
Margin	**1,9%**	3,1%	(0,8%)	(8,4%)	3,9%
Margin excluding other gains/(losses)	**0,0%**	4,1%	(0,5%)	1,4%	4,2%
Non-controlling interests	**(992)**	—	527	15	(1 253)
Attributable income	**60 585**	92 807	(23 989)	(343 987)	171 606
FINANCIAL POSITION					
Assets					
Property, plant, equipment and intangibles	**1 193 514**	796 377	967 177	1 284 417	1 884 144
Investment property	**62 317**	62 764	64 415	—	—
Goodwill	**80 212**	80 212	96 920	96 920	182 709
Other non-current assets	**14 816**	16 240	28 022	8 907	7 539
Deferred taxation asset	**90 427**	90 517	99 396	100 883	105 487
Current assets excluding cash	**1 453 608**	880 930	863 516	1 146 313	1 391 380
Cash	**392 233**	567 917	442 855	177 872	120 626
Non-current assets held for sale	**109 945**	109 788	181 336	125 675	27 287
	3 372 072	2 604 745	2 743 637	2 940 987	3 719 172
EQUITY AND LIABILITIES					
Ordinary shareholder interest	**2 169 867**	2 098 078	2 207 469	2 279 476	2 670 648
Non-controlling interests	**46 836**	—	—	2 779	2 764
Deferred taxation liability	**121 174**	21 715	39 610	97 900	207 619
Other non-current liabilities	**36 224**	18 379	19 900	25 975	48 378
Long term debt (including shareholder loans)	**189 394**	27 367	92 593	116 342	84 114
Short term debt	**325 537**	4 748	25 402	26 055	15 474
Current liabilities	**508 031**	434 451	358 630	389 125	515 674
Bank overdrafts	**9**	7	33	3 335	174 501
	3 397 072	2 604 745	2 743 637	2 940 987	3 719 172
SUMMARY FINANCIAL POSITION - DEBT AND WORKING CAPITAL					
Debt (term loans, finance leases, shareholder loans)	**514 931**	32 115	117 995	142 397	99 588
Effective debt/(cash) [debt less cash]	**122 707**	(535 795)	(324 827)	(32 140)	153 463
Net working capital	**927 592**	476 219	527 856	656 063	866 302

Cash flow information	Actual 2023 R'000	Actual 2022 R'000	Actual 2021 R'000	Actual 2020 R'000	Actual 2019 R'000
Cash generated from operations	**162 852**	278 669	338 742	427 538	231 165
Purchases of and prepayments for property, plant, equipment and intangibles	**(49 270)**	(25 540)	(33 523)	(80 660)	(107 431)
Proceeds on sale of non-current assets, government grants, insurance	**5 907**	110 244	59 051	27 081	61 599
Taxation paid	**(102 512)**	(51 173)	(2 022)	(38 003)	(68 719)
Free cash flow	**16 977**	312 200	362 248	335 956	116 614
Acquisition/(disposals) of subsidiaries, investments and share buy-backs	**(636 221)**	36 073	(56 163)	31 765	(189 393)
Net loan and net finance costs	**460 746**	(19 709)	(37 800)	(53 026)	(28 872)
Dividends paid	**(17 188)**	(203 476)	—	(86 283)	(160 840)
Net cash flow	**(175 686)**	125 088	268 285	228 412	(262 491)
Opening cash	**567 910**	442 822	174 537	(53 875)	208 616
Closing cash	**392 224**	567 910	442 822	174 537	(53 875)
Performance per share (cents)					
EPS - basic	**18,90**	30,42	(8,34)	(119,60)	56,45
EPS - basic diluted	**18,90**	30,42	(8,34)	(119,60)	56,45
HEPS - basic	**(7,35)**	53,15	(5,40)	23,43	60,40
HEPS - basic diluted	**(7,35)**	53,15	(5,40)	23,43	60,40
DPS	—	0,40	0,50	—	30,00
Net asset value	**754,45**	687,67	767,52	792,56	878,44
Ratios*					
Liquidity	**2,35**	3,55	3,87	3,46	2,18
Solvency	**2,88**	5,14	5,12	4,46	3,56
Debt to equity	**23,2%**	1,5%	5,3%	6,2%	3,7%
Net return on equity	**2,8%**	4,3%	(1,0%)	(13,9%)	6,2%
Net return on total assets (average assets)	**2,0%**	3,5%	(0,8%)	(10,3%)	4,6%
Operating return on net assets (average assets)	**0,4%**	12,6%	(1,1%)	5,1%	10,3%
Debtors' days	**57,08**	46,67	61,93	42,79	50,28
Creditors' days	**61,66**	56,27	46,37	36,53	47,84
Stock days	**112,86**	69,99	49,21	53,11	74,56
Interest cover	**2,29**	21,54	(1,85)	(13,11)	14,12
Cash conversion ratio	**86,2%**	90,1%	351,9%	119,4%	27,2%

* *Refer to page 100 for the definitions of these financial metrics.*

Board of Directors

HC SE

PHUMLA MNGANGA (55)

Chairman and Independent Non-Executive Director

BA, BEd, MBL, PhD.

- Appointed 02 April 2019 and resigned 31 March 2023
- Serves on the Board of Exarro Resources Limited, Adcorp Holdings Limited and Allied Electronics Corporation Limited

HC

ANDRÉ VAN DER VEEN (52)

Executive Chairman

CA(SA), CFA, CGMA

- Appointed 17 May 2021 as non-executive director and 01 April 2023 as Executive Chairman
- Serves on the Board of Nampak Limited, York Timber Holdings Limited and Chairman of Alphawave Holdings

I

KESHREE ALWAR (38)

Chief Financial Officer

CA(SA)

- Appointed as alternate executive director on 01 October 2018 and as chief financial officer on 01 September 2021

SE I

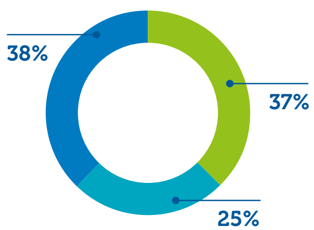
NEIL BIRCH (62)

Chief Executive Officer

BSc (Hons) (Eng)

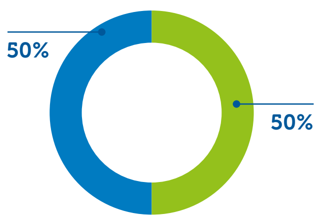
- Appointed to the Board on 03 April 2017 as independent non-executive director and as chief executive officer on 19 June 2018
- Retired from the Board effective 31 March 2023

DIRECTOR CLASSIFICATION AT 31 MARCH 2023



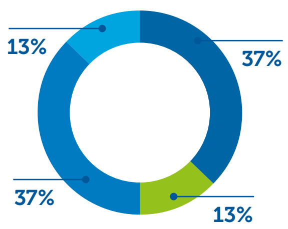
37% Non-Independent Non-Executive Directors
25% Executive Directors
38% Independent Non-Executive Directors

GENDER DIVERSITY



50% Male
50% Female

RACIAL DIVERSITY



37% African
13% Coloured
37% White
13% Indian

AR SE

LULAMA MTANGA (52)

Lead Independent Non-Executive Director

BA (Social Sciences), LLB, Post-graduate Diploma in European Community Competition Law

- Appointed 15 July 2017
- Appointed as Lead Independent Non-Executive director on 01 April 2023
- Serves on the Board of Thebe Timrite Holdings

MARANG MASHOLOGU (47)

Independent Non-Executive Director

BCom, CFA

- Appointed 01 April 2023
- Director and shareholder of Sphere Holdings Proprietary Limited
- Serves on the Board of Spar Group Limited and Chubb Insurance South Africa Limited

AR HC I

ABDURAGHMAN MAYMAN (68)

Independent Non-Executive Director

BCompt Hons, CA(SA), BCom Hons (Financial Management)

- Appointed 01 March 2020
- Serves on the Board of Oasis Crescent Property Fund

HC

NOLUVUYO MKHONDO (39)

Non-Independent Non-Executive Director

BAcc (Hons), CA(SA), MBA

- Appointed 15 December 2017 and resigned 31 March 2023
- Serves on the Board of PPC Ltd and Metair Investments Limited

AR SE HC

ADRIAN ZETLER (42)

Non-Independent Non-Executive Director

CA(SA), CFA

- Appointed as alternate director on 17 May 2021 and non-executive director on 27 August 2021
- Serves on the Board of York Timber Holdings Limited

Read the Curricula Vitae of our Board at **www.novus.holdings.**

COMPANY SECRETARY

In compliance with the recommendations of King IV™, the Board believes that Kilgetty Statutory Services (South Africa) Proprietary Limited is a competent and suitably qualified company secretary which is able to provide the Board with the requisite support for its efficient functioning and discharge of duties.

The Board is further satisfied that Kilgetty maintained an arm's length relationship with the Board during the year under review.

Corporate Governance Report

Novus Holdings is committed to implementing and maintaining sound corporate governance practices with ethical leadership which is paramount and an integral part of the Board's approach to corporate governance practices. The Board of directors recognises that corporate governance practices must be appropriate and relevant to the size, nature and complexity of its operations, while promoting good governance outcomes in relation to the Group's ethical culture, performance, effective control and legitimacy.

Novus Holdings applies the recommendations of King IV™ and the Board's practices aim to achieve the appropriate outcomes. These principles form the foundation upon which the trust of Novus Holdings' investors is built and are critical in growing our reputation as an organisation dedicated to excellence in performance and integrity.

Th Board has adopted a forward thinking mindset, being responsive to find new ways to apply governance to ensure an ethical culture, good performance, effective control and legitimacy.

STATEMENT OF COMPLIANCE

In accordance with the JSE Listings Requirements, the Group has applied the principles and recommendations of King IV™. Furthermore, there were no significant contraventions, fines or penalties reported in relation to applicable laws for the period under review, which included laws of establishment and Novus Holdings' Memorandum of Incorporation.

The directors are satisfied that the Group has complied with and operates in conformity with:

- The provisions of the South African Companies Act and any other applicable laws relating to its incorporation; and
- The Group's MOI and other relevant constitutional documents.

FOCAL POINT OF CORPORATE GOVERNANCE

The Novus Holdings Board is the focal point of the corporate governance framework and is ultimately accountable and responsible for the performance and affairs of Novus Holdings.

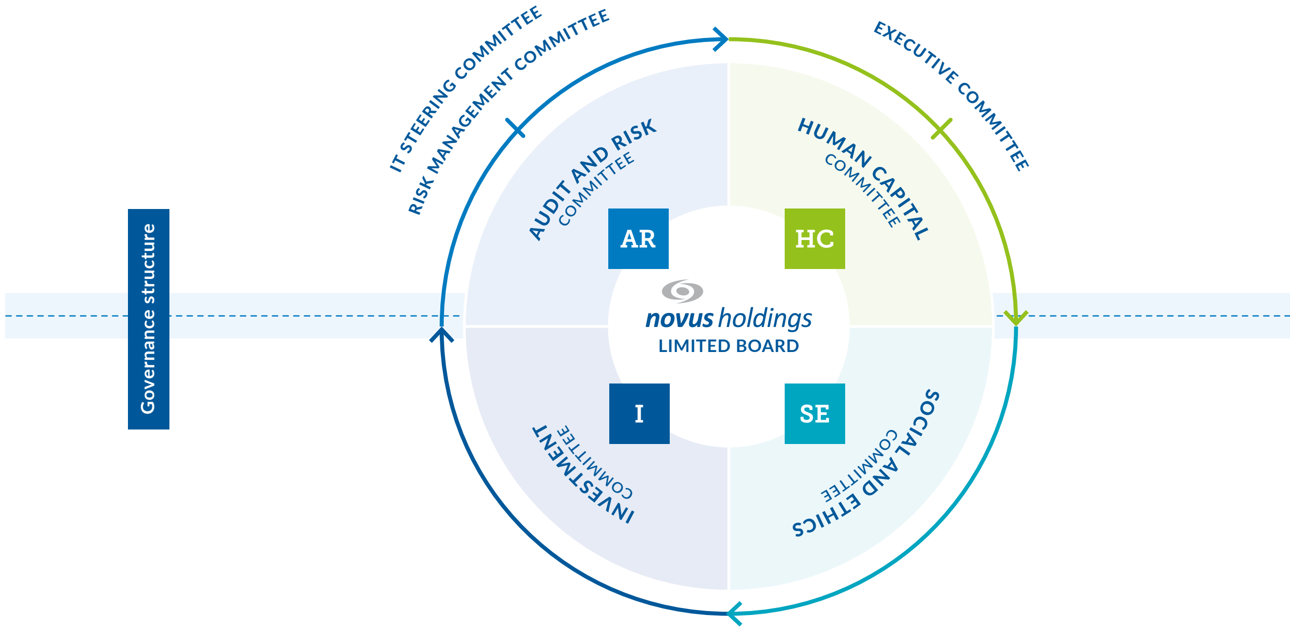
The Board further monitors and oversees the implementation of its policies and organisational performance and is satisfied that it has discharged all of its duties in accordance with the Board Charter. These duties include responsibility for reviewing and guiding corporate strategy, through the establishment of key policies and objectives, understanding the key risks faced by the Group, determining the risk appetite, tolerance and preferences of the Group and the processes in operation to mitigate these.

BALANCE OF POWER

In accordance with the Board Charter, there is a clear division of responsibilities at Board level to ensure a balance of power and authority, such that no one individual has unfettered powers of decision-making.

GOVERNANCE STRUCTURE

Novus Holdings recognises the value of King IV™, which advocates implementing a governance structure which supports leadership, sustainability and corporate citizenship. For Novus Holdings this includes, inter alia, establishing a Board of directors with appropriate Board committees. Therefore, in support of a transparent organisational structure and these lines of responsibility, Novus Holdings has established the governance structure as depicted on page 41.



BOARD COMPOSITION

The Board, with the support of the Human Capital Committee, ensures an appropriate balance of skills, expertise, diversity and independence to objectively and effectively discharge its governance role and responsibilities is attained, in alignment with the Group's strategy and key deliverables. The Board is satisfied that its composition is aligned to its principle objectives.

This is to ensure that shortcomings, if any, are being addressed timeously when considering or recruiting new Board members. Consequently, the Human Capital Committee makes recommendations to the Board on the process of nominating, electing and appointing Board members. This committee's mandate also includes succession planning in respect of the Chair and appointments to the Board and its committees.

In accordance with the JSE Listings Requirements, Novus Holdings has implemented a broader diversity policy with regards to the appointment of non-executive directors and considered this policy when reviewing the current Board and its Committee composition in the year. The Human Capital Committee is tasked with maintaining and improving the Board's diversity. The Human Capital Committee set a voluntary target of maintaining at least 50% Black representation and at least 30% Female representation of which both targets have been achieved.

During the year under review, the Board reviewed its composition and the performance of each individual director and recommends the re-appointment of Mr Adrian Zetler at the forthcoming Annual General Meeting on Friday, 25 August 2023.

CHAIRMAN AND CHIEF EXECUTIVE OFFICER

The roles of the chairman of the Board and the chief executive officer are separated and clearly defined. The chief executive officer ("CEO") is responsible for the day-to-day management of the Group and implementation of the strategy and objectives adopted by the Board. He is assisted by an executive team and members of senior staff. The chairman of the Board manages the relationship between the Board, the chief executive officer and the various Board committees. The chairman sets the agendas for the Board meetings and ensures that adequate time is devoted to developing the Group's strategy.

The Chairman of the Board resigned and the CEO retired with effect from 31 March 2023. Mr André van der Veen was appointed as Executive Chairman with effect from 01 April 2023 with Ms Lulama Mtanga appointed as Lead Independent Director at the same time. The role of CEO has therefore been delegated to the Executive Chairman from 01 April 2023 for an interim period of six months.

BOARD COMMITTEES

There are four Board committees to facilitate efficient decision-making and to assist the Board in the execution of its duties, powers and authorities as seen in the table below.

Each committee has terms of reference that define its role and responsibilities as outlined in the Integrated Report. During the year under review, each committee was satisfied that it had discharged its duties accordingly.

DELEGATION TO THE EXECUTIVE CHAIRMAN AND EXECUTIVE TEAM

The Executive Chairman has delegated authority from the Board regarding the responsibility and custodianship for day-to-day operations and risk management. This mandate authorises the Executive Chairman to command required resources, internal and external, to ensure that Novus Holdings is managed in accordance with its strategic objectives. The Executive Chairman is further assisted in carrying out his duties by the executive team and senior management. Regular meetings are held between the executive team and senior management to attend to day-to-day operations and risk management.

Key focus areas for the Board Committees for the 2023 period

AR – AUDIT AND RISK COMMITTEE

- Oversight over the effectiveness of the risk management framework
- Oversight over the effectiveness of the control environment
- Oversight over the combined assurance framework and model
- Overseeing implementation of the Group IT governance framework

HC – HUMAN CAPITAL COMMITTEE

- Ongoing review and implementation of remuneration policy to attract and retain vital talent
- Ensuring the achievement of the set racial and diversification targets
- Succession planning

SE – SOCIAL AND ETHICS COMMITTEE

- Ensuring the fostering of a good ethical culture by monitoring progress on the corrective action plan emanating from the results of the employee engagement survey
- Ongoing monitoring of the ABC Programme
- Monitoring the effectiveness of compliance management

I – INVESTMENT COMMITTEE

- Assisting the Board in considering and evaluating on an ad-hoc basis, the viability of proposed investment opportunities, disposals and expansion projects.

Composition and attendance at committee meetings

Director		Board	AR	HC	SE
Keshree Alwar (CFO)	I	4/4			
Neil Birch (CEO)[1]	SE I	4/4			2/2
Abduraghman Mayman	AR HC I	4/4	3/3	4/4	
Noluvuyo Mkhondo[2]	HC	4/4		4/4	
Phumla Mnganga[2]	HC SE	4/4		4/4	2/2
Lulama Mtanga	AR SE	4/4	3/3		2/2
André van der Veen[3]	HC	4/4		4/4	
Adrian Zetler[4]	AR SE HC	4/4	3/3		2/2

Notes

1 Retired from the Board effective 31 March 2023.

2 Resigned from the Board effective 31 March 2023.

3 Appointed as Executive Chairman effective 01 April 2023.

4 Appointed as Chairman of the Human Capital Committee effective 01 April 2023.

COMMITTEE MEMBERSHIP

- AR Audit and Risk Committee
- HC Human Capital Committee
- SE Social and Ethics Committee
- I Investment Committee
- — Denotes Committee chairman

EXECUTIVE CHAIRMAN'S NOTICE PERIOD

The Executive Chairman has no notice period and has an engagement contract in place for the period 01 April 2023 to 30 September 2023.

CEO AND EXECUTIVE PERFORMANCE

The Board, with the assistance of the Human Capital Committee, reviews the performance of the CEO, Executive Chairman, and senior executives and approves their remuneration.

INDEPENDENT ADVICE

The Board, Board committees and individual directors may seek external advice at Novus Holdings' expense. If appropriate, the advice may be made available to other directors.

RISK MANAGEMENT

The Board assumes responsibility for the governance of risk by setting the direction for how risk should be approached and addressed that encompasses both opportunities and associated risks to be considered when developing strategies for Novus Holdings.

The Board with the assistance of the Risk Management Committee has approved the risk management system that articulates and gives effect to its set direction on risk. The executive team further continues to monitor and identify key risks in the business.

Novus Holdings' risk management system includes the establishment of various policies, strategies, processes, procedures and tools for identifying, measuring, monitoring, managing and reporting of all material risks to which Novus Holdings is exposed.

The risk management framework sets out the key principles that guide the implementation of risk management at all levels. At Novus Holdings, risk management is an integral part of the management processes. The Group's effectiveness is enhanced when risk management is part of the culture and is embedded in its daily practices and business processes.

There are a number of assurance role players that provide different types of assurance and are referred to as the three lines of defence.

The **"three lines of defence"** risk management governance model therefore distinguishes between:

FUNCTIONS OWNING AND MANAGING RISKS AS PART OF THEIR DAY-TO-DAY ACTIVITIES

1st LINE OF DEFENCE

- General manager/managing director of division
- Financial function

FUNCTIONS PROVIDING INDEPENDENT ASSURANCE

2nd LINE OF DEFENCE

- Group functions such as Group Finance, Human Resources, Sales and Marketing, Health and Safety, Insurance and Risk Management Committee

FUNCTIONS OVERSEEING RISKS AND PROVIDING ROBUST CHALLENGE TO THE MANAGEMENT TEAM

3rd LINE OF DEFENCE

- Internal audit
- External audit
- Any other independent third party specialist

ANNUAL BOARD EFFECTIVENESS EVALUATION

The Board Charter makes provision for the evaluation to assess the effectiveness and performance of the Board and its Committees on an annual basis. An independent evaluation process in 2022 was undertaken, assessing the performance of the Board, its various Committees as well as the Chairman of the Board, CEO, CFO and company secretarial function. The Board is satisfied that the evaluation process is improving its performance and effectiveness.

COMBINED ASSURANCE MODEL

Novus Holdings, in its implementation of combined assurance, has identified the components of combined assurance as per King IV™. These components of combined assurance are used to integrate, coordinate and align risk management and assurance processes. Assurance processes in Novus Holdings include internal and external audits.

INFORMATION TECHNOLOGY GOVERNANCE

The IT Steering Committee provides oversight of the IT function and reports regularly to the Risk Management Committee. The executive team is responsible for the implementation of the ICT strategy against operational plans and the technology and information framework. During the year under review, key emphasis was placed on the development of a technology and information framework, identifying and monitoring technology and information risks, user awareness campaigns and security assessments.

Further to the above, an external audit on key technology and information systems, general computer controls and application level controls was performed by PwC.

COMPLIANCE WITH LAWS AND REGULATIONS

The Board ensures Novus Holdings complies with relevant laws and regulations, audit and accounting principles and practices, non-binding rules, codes and standards, and Novus Holdings' own governance documents. The responsibility has been delegated to the Risk Management Committee.

The Board is assisted in achieving compliance with all applicable laws and regulations by the Audit and Risk Committee, Social and Ethics Committee, the executive team and the company secretary. Regular legislative updates are provided to the Board to assist the Board in ensuring compliance with all applicable laws and regulations.

LIST OF SUBSIDIARIES IN THE NOVUS HOLDINGS LIMITED GROUP OF COMPANIES:

- Novus Print Proprietary Limited
- Paarl Coldset Proprietary Limited
- Novus Packaging Proprietary Limited
- Paarl Media Holdings Proprietary Limited
- Novus Packaging Holdings Proprietary Limited
- Latiano 554 Proprietary Limited
- Intrepid Printers Proprietary Limited
- Macleary Investments 456 Proprietary Limited
- Paarl Media Paarl Proprietary Limited
- Victory Ticket 376 Proprietary Limited
- ITB Manufacturing Proprietary Limited
- Plaslope Proprietary Limited
- Isithebe Contracting Services Proprietary Limited
- Molakai Proprietary Limited
- Maskew Miller Learning Proprietary Limited
- Maskew Miller Longman Proprietary Limited
- Heinemann Publishers Proprietary Limited

Human Capital Committee Report

Part 1: Background Statement

This report sets out the broad remuneration philosophy, policy, and principles which are mainly applicable to the chief executive officer ("CEO"), executive directors ("EDs"), executive committee ("Exco"), non-executive directors ("NEDs") and senior management. In line with the King IV Report on Corporate Governance™ for South Africa ("King IV™"), the overarching theme of the remuneration policy is to give effect to the Human Capital Committee's direction on fair, responsible and transparent remuneration. Where appropriate, we have also addressed, at a high level, remuneration arrangements for other employees. The remuneration policy continues to be guided by Novus Holdings' business strategy of repositioning the Group to ensure the core print business remains viable by focusing on operational management and return on assets, coupled with identifying synergies with its newly acquired subsidiary, Maskew Miller Learning Proprietary Limited ("MML") and extending its educational content reach. Our remuneration policy acknowledges that to successfully execute the short-term business strategy, it is important to retain key and critical talent and reward employee behaviour that contributes to the organisation's success.

More details on the business strategy can be found in our Group strategy and business model report.

CONTEXT

- A majority stake in MML (formerly Pearson SA), a courseware business servicing all tiers of the education market, has been acquired.
- In the short-term, the key focus will be on uninterrupted delivery of important educational materials to schools and learners whilst we align it with Novus Holdings' print production and distribution activities.
- Novus Holdings has continued to pursue reduction initiatives to match the size of the business to demand.
- The dynamic situation in which the Company finds itself will lead to continuous review of incentive structures against optimal group structure, as it adjusts to the world post COVID-19.

The detail on our annual performance is set out in the Financial and Operational Review on page 28 of this report.

ACTIVITIES DURING FY2023 AND FORWARD-LOOKING CHANGES TO THE REMUNERATION POLICY

The key activities of and the decisions made by the Committee in relation to the 2023 financial year, are summarised below.

- The Long-term incentive ("LTI") scheme was revised and the use of share-based instruments to retain key decision-making staff has been discontinued. A deferred cash bonus scheme was adopted in FY2022, which relies on the same specific performance criteria defined each year for the short term incentive ("STI") scheme to determine contributions to the scheme. The deferred cash bonus is to vest over a three-year rolling period. The accrual may be accessed annually in three equal tranches on the first, second and third anniversary dates of each vesting. The first vesting is in June 2023.
- André van der Veen was appointed as Executive Chairman following the retirement of the Group CEO, Neil Birch and resignation of the Chairman of the Board, Phumla Mnganga.
- The Committee reviewed the current board composition and committees and made recommendations to the Board where appropriate.

The forward-looking changes to the remuneration policy for the 2024 financial year are set out below.

- Considering the uncertain current and future trading environment, inflationary increases for EDs, Exco, senior management, management, and other staff have been proposed.
- The Committee has approved increases, based on a 5,5% aggregate, for the CEO, EDs, Exco and senior managers (effective 01 April 2023).
- A revised NED fee proposal for 2023/2024 will be tabled before shareholders for approval at the 2023 Annual General Meeting ("AGM").
- While being mindful of shareholders' performance expectations, all the expectations may not be achieved because of an abnormal trading cycle, tarnished by the energy crisis and paper supply challenges in Print. In light of the current trading conditions, the budgeted profits in Print were not achieved and therefore normal incentives were also not achieved. Given these special circumstances, it has been decided to still attempt to reward certain key staff at a reduced level for the achievement of specific performance targets as they relate to the achievement of the business entity's short-term objectives which are not purely profit-related.

SHAREHOLDER ENGAGEMENT

The remuneration policy received a favourable vote of 98,94% and the implementation received a favourable vote of 96,84% at the 2022 AGM.

VOTING

As was the case in 2022, we will put our remuneration policy (as set out in part 2) and our implementation report (as set out in part 3) to two separate non-binding shareholder votes at the AGM that will be held on Friday, 25 August 2023. More detail around the voting procedures is set out in part 2 of this report, as well as in our remuneration policy document. Once again, we look forward to receiving your endorsement of both resolutions, and we also encourage you to proactively engage with us on our remuneration policy and how we can further drive the pursuit of shareholder value creation.

ADRIAN ZETLER
Chairman of the Human Capital Committee

Part 2: Remuneration Policy

REMUNERATION PHILOSOPHY

The remuneration policies are designed to achieve alignment between Novus Holdings' business strategy and the managerial behaviour of the CEO, EDs, Exco, NEDs and senior management and to ensure that the right skills are attracted and retained. Furthermore, it aims to ensure short-term success and long-term sustainability, while maintaining and reinforcing entrepreneurship and team spirit – key points of Novus Holdings' corporate culture.

Novus Holdings aims to reward employees in a manner which is fair, responsible, and transparent, is reflective of both company and individual performance and which rewards each employee in line with their individual contribution to the company's success.

The remuneration policy is available on the Novus Holdings website at **www.novus.holdings/governance**.

GOVERNANCE AND THE HUMAN CAPITAL COMMITTEE

In line with King IV™, the Committee is appointed by the Board of Directors as a subcommittee and has delegated authority, in accordance with its terms of reference which the Board reviews annually.

The role of the Committee in respect of remuneration is to ensure that remuneration practices support the strategic vision of the Company, and to set the direction for how remuneration should be approached and addressed on an organisation-wide basis. The Committee evaluates and remunerates the CEO and oversees the evaluation and remuneration of EDs, Exco, NEDs and senior management, which is ultimately approved by the Board and shareholders.

The Committee makes recommendations to the Board on the process of nominating, electing and appointing Board members including succession planning in respect of the Chair and appointments to the Board and its committees.

The full duties of the Committee are set out in its terms of reference.

MEMBERS OF THE HUMAN CAPITAL COMMITTEE

The Committee comprised majority independent non-executive directors, as set out on page 38.

The CEO, CFO, the Group executive: human resources, and certain members of the Board attend committee meetings by invitation. However, they do not participate in the voting process, nor are they involved when matters relating to their own remuneration are discussed. PricewaterhouseCoopers Incorporated ("PwC") has been engaged as Novus Holdings' independent advisor and attends committee meetings in an advisory capacity as and when required. The Company has appointed Kilgetty Statutory Services (South Africa) Proprietary Limited that acts as company secretary to the Committee.

The Committee attendance record for the 2023 financial year is set out on page 43 of the corporate governance report.

REMUNERATION MIX AND PACKAGE DESIGN

In the context of the prevailing economic climate and the adverse impact on the operating environment, the remuneration of the CEO, EDs, Exco, NEDs and senior management will be subject to ongoing review. Notwithstanding this, the remuneration philosophy is that more senior employees should have a higher proportion of variable pay in their remuneration mix as they have the ability to influence the financial performance and strategic outcomes of the Group. The underpinning philosophy is to ensure that remuneration practices are aligned to the market and that short-term discretionary incentive schemes motivate and reward employees for driving behaviour that sustains the business, especially during uncertain and turbulent times. At lower levels, the remuneration mix is weighted in favour of guaranteed pay ("GP").

MODIFIED SHORT-TERM INCENTIVE ("STI")

The STI scheme was reviewed to align senior employee rewards with very specific outcomes discerned from shareholder expectations in line with the reduced size of the Group and the profit generated. With effect from FY2022, the number of participants in the STI scheme reduced and also the quantum of bonus applicable to each participant employee in relation to their guaranteed remuneration. These changes have been accepted as an alternative to setting unrealistic growth and profit targets to the extent that it warrants previously higher STI values. The participants in the modified scheme are typically senior management employees across the Novus Holdings entities. The STI scheme allocates a maximum participation level based on a percentage of participants' annual guaranteed remuneration.

The STI scheme is self-funded out of the financial performance of Novus Holdings and its divisions. The specific targets for FY2023, were created for this purpose, namely:

Group EBIT Target*	**Group Net working capital Target**	B-BBEE rating
R186m	**R389m**	Level 2

* *EBIT before share based compensation charges ("SBC") and profit/(loss) on disposal of assets (i.e. Headline EBIT)*

Prior to the payment of any incentives, the Group must achieve at least 80% of its EBIT target even if the business entity or division achieves its targets. Net working capital must be within 80% of targets in addition to the minimum EBIT thresholds. The initial performance targets may be adjusted to take into account closures or disposals, subject to Board approval.

The individual executive team targets are determined by the CEO and the next tier below are developed in conjunction with the respective divisional heads to ensure alignment with regards to business unit objectives and the individual's sphere of influence. The participant must achieve an individual performance score of 80% and above. Individual performance scores are moderated by the divisional head. All performance scores are moderated one level higher by the relevant forum.

The EBIT target is derived by utilising EBIT as reported and adjusting for non-trading items (as defined in the SAICA Circular 01/2023) that are typically added back to EBIT in deriving Headline earnings and include such items as asset impairments, loss on sale of property or equipment and items that may be deducted from EBIT. Restructuring costs and adjustments for rationalisation decisions are, therefore, included in this EBIT target whilst share-based compensation expenses have been excluded.

The B-BBEE factor is to be applied to all employees that have any influence on B-BBEE scoring aspects. The impact of B-BBEE will not be an area of incentive earning for achievement, but rather serves as a "disqualifier" that reduces the maximum bonus otherwise earned by a significant percentage. The maximum reduction factor due to B-BBEE is 50% for key staff members.

Given the abnormal trading conditions that were experienced in FY2023 it is unlikely that Print would achieve its budgeted profit impacting the Group's ability to meet its set targets. The scheme, however, makes provision to reward certain key staff at a reduced level for the achievement of specific performance targets as they relate to the achievement of the business entity's short-term objectives which are not purely profit related.

RISK ADJUSTMENTS

In keeping with accepted standards in corporate governance, the Committee may take action to adjust (malus) or recover (clawback) vested or unvested 'at risk' remuneration, where there is reasonable evidence that an employee has materially contributed to, or been materially responsible for, conduct that is in breach of the Code of Business Ethics or Disciplinary Code of Novus Holdings.

Novus Holdings reserves the right to re-calculate incentive benefits paid to one or more members of the management team within a period of three financial years from the date upon which the audited annual financial results are restated. Novus Holdings further reserves the right and shall be entitled to recover the pre-tax value of any incentive benefits paid more than the amount payable because of any restatement of the audited financial results in the circumstances set out above. Clawback and malus do not apply in the case of restatement of financial results caused by a change in applicable accounting standards or interpretations.

LONG-TERM INCENTIVES

A new long-term incentive in the form of a deferred cash bonus scheme was introduced for certain key employees, which is easier to manage with a greater degree of predictability and still entrenching values aligned with shareholder priorities. The scheme relies on the same specific performance criteria defined each year for the STI scheme to determine contributions to the scheme. The salient criteria are as follows:

- Sustained On-target performance (thus excluding stretch performance targets) will approximate to participating employees earning an additional one-year total cost to company ("TCTC") every 5 (five) years for category A participants and every 6,5 (six and a half) years for category B participants.
- The deferred bonus is to accrue ("vest") over a three-year rolling period. Each annual contribution to the employees' bonus pool can be drawn down in three equal tranches on the first, second and third anniversary dates of each contribution to the scheme.
- A participating employee's TCTC is used as basis for the contributions to the individual's bonus pool, with a maximum of 20% of the category A group's and 15% of the category B group's TCTC being made to the pool each year that the individual's specific performance criteria are achieved.
- Contributions to the scheme commenced in June 2022 with participants having first access to the accrual in June 2023 subject to the employee remaining in the employ of Novus Holdings.
- Income tax will be payable when the employee receives actual payment at the applicable tranches.
- The potential benefits deriving from the scheme and based on the current performance targets have been modelled on the assumption that no more than 50% of earnings above 15% return on funds employed can be made available to employees on the scheme. This is also assuming that the existing STI scheme is fully funded before computing whether the threshold has been met.

EDS CONTRACTS

The following table sets out details of the EDs contracts.

Name	Date of contract	Term of contract
K Alwar	**01 September 2021**	**Effective until retirement age**
NW Birch	**19 June 2018**	**Effective until retirement age**
A van der Veen	**01 April 2023**	**6 (six) months**

REMUNERATION ARRANGEMENTS OF CEO AND CFO

Executive directors had the following remuneration package for the financial year ended 31 March 2023.

Executive director	Guaranteed package (R'000)	On-Target STI Percentage based on annual guaranteed package	Annual SAR expected value (as a % of guaranteed package)
K Alwar	2 520	25%	0%
NW Birch	4 542	42,5%	0%

Mr Birch retired as CEO at the end of March 2023. The Board approved an incentive structure for the CEO in FY2022 which included an incentive payable upon the successful sale of the Linbro Park property. In line with this directive, the Human Capital Committee approved the payment of R1 000 000 upon the sale of the property becoming unconditional. The Human Capital Committee also recommended to the Board approval for the payment of R4 542 724 at the end of March 2023 as it was deemed that Mr Birch was deserving of an incentive for the successful and efficient execution of the MML acquisition transaction.

As Mr Birch is deemed a good leaver in terms of the share appreciation right ("SAR") rules, he is entitled to his exercisable SARs as at 31 March 2023 within two months of the termination date. Should this date be within a closed period, this is extended by 90 days from the end of the closed period, which in this case would be between 30 June 2023 and 30 September 2023.

The individuals serving on the Exco are not under any contractual restraints of trade, although the Committee may, at its discretion, negotiate a restraint of trade as part of an outgoing executive's mutual separation agreement (where doing so would be beneficial to the Company). The standard notice period for EDs was one month but has subsequently been revised to three months for all new executive appointments, except for the Chief Financial Officer who has a four-month notice period.

Novus Holdings does not have any agreements in place that provide for ex gratia or other lump sum payments to executives on severance, retirement or change of control. There is also no waiver of performance conditions for incentive schemes in the event of a change of control, however, the unvested LTIs and STIs may be paid to participants pro rata to the period served.

NEW APPOINTMENTS

New appointees are not awarded sign-on bonuses as a matter of course, although the Committee reserves the right to do so where appropriate. Any incentives awarded to new appointees are made as compensation for the indicative value of any awards forfeited from their previous employer. As applicable, the Committee may subject such awards to vesting periods, performance conditions and holding periods, considering the conditions of the forfeited award from the appointee's previous employer.

NEDS

NEDs are appointed for an indefinite period and are subject to rotation in line with the Company's Memorandum of Incorporation. For the proposed re-election of NEDs, the Board considers their previous performance. NEDs are paid a base fee and a committee fee. The fee structure is evaluated on a regular basis based on independent non-executive fee surveys and considering the profile or size of Novus Holdings and its NEDs' responsibilities. Proposed increases in fees are considered by the Committee for discussion and recommendations for approval are made to the Board and shareholders at the AGM. When determining the increase levels, the remuneration increases across the Group are considered.

NEDs do not receive any payments linked to company performance (i.e., STIs and LTIs). Fees are paid in cash. NEDs are reimbursed for reasonable travel and subsistence expenses in line with the reimbursement policy for employees. They do not have any service contracts with the Group.

In line with the Companies Act, 2008 (Act 71 of 2008) as amended ("Companies Act"), the proposed fees are tabled before shareholders for approval by special resolution at the AGM. The table below sets out the proposed 2024/2025 NEDs fee levels per position as compared to the 2023/2024 fee levels, which were approved by shareholders at the AGM on 26 August 2022. The Board is proposing a 5,5% increase in fees for the 2023 financial year. Please refer to special resolution number 1 on page 94 for proposed NEDs' fees.

	Revised 2023/24		2024/25	
	Chairman (R)	**Member (R)**	Chairman (R)	Member (R)
Board of Directors	**655 200**	**175 812**	691 236	185 482
Audit and Risk Committee	**131 040**	**65 520**	138 247	69 124
Human Capital Committee	**96 096**	**48 048**	101 381	50 691
Social and Ethics Committee	**69 888**	**34 944**	73 732	36 866

VOTING AND SHAREHOLDER ENGAGEMENT

As explained in part 1 (the background statement), if 25% or more of the shareholders exercising their rights vote against either the remuneration policy or the implementation report, the Committee will engage with the shareholders regarding their reasons for voting against the resolution(s). The Committee will extend an invitation to dissenting shareholders in the Stock Exchange News Service ("SENS") announcement together with the results of the AGM, setting out the manner, date, and timing of engagement.

Part 3: Implementation of Remuneration Policy for the Year Ended 31 March 2022

COMPLIANCE WITH THE REMUNERATION POLICY

The Committee is satisfied that Novus Holdings complied with the remuneration policy in the 2023 financial year, and there were no material deviations from it.

The average guaranteed pay increase percentage awarded to EDs, Exco and senior management has been 5,5%, whilst that of other employees have been between 5,5% and 6,5%.

GUARANTEED PACKAGE: EDs

The table below sets out the guaranteed package of the CEO and CFO and the increase received as of 01 April 2023:

	01 April 2023 R'000	01 April 2022 R'000	01 April 2021 R'000	01 April 2020 R'000
CEO	**– ***	4 542	4 326	4 160
CFO	**2 659**	2 520	3 244	3 120

* *New appointment of A van der Veen as Executive Chairman on 01 April 2023 who is paid a fee of R300,000 per month for services rendered in this role. This fee is payable until the appointment of a CEO, after which the fees payable to the Executive Chairman will amount to that included in special resolution number 1.*

ACI OUTCOMES

Group performance

Group performance is measured against pre-agreed performance targets for the Group. For the 2023 financial year, the Group did not achieve its EBIT and net working capital targets set. It sustained its B-BBEE Level 2 contributor status.

Divisional performance

Divisional performance for the ACI is measured against pre-agreed divisional performance targets. For the 2023 financial year, the targets were achieved as follows:

Entity	**EBIT**	**Net working capital**
Print	**Not achieved**	**Not achieved**
ITB and Plaslope	**Achieved**	**Proportionately achieved**
MML*		

* *Specific targets were set prior to the acquisition by Novus Holdings. The targets set were met.*

Overall ACI outcomes

Based on the overall performance of the Group and the abnormal trading cycle experienced in the Print division, an ACI pool was therefore created. A bonus of R4 101 342 (2022: R11 382 932) was therefore payable to the participants to this incentive. This excludes bonuses paid in MML that was recently acquired.

MML has a short-term incentive for staff (excluding those in sales) to participate in, which is based on the achievement of the divisional and group targets. Full allocation is based on a target of 90% being achieved (in other words, all, or nothing). Participants qualify for the payment of an incentive based on a percentage of their annual total guaranteed package ("TGP"). The percentage allocation is determined by the staff member's job grade. In FY2023 a total of R5 489 465 was paid in terms of the scheme relating to FY2022 performance.

DISCRETIONARY BONUSES, AD HOC BONUSES, PRODUCTION BONUSES AND SECONDARY SALES INCENTIVES

Discretionary bonuses and ad hoc bonuses were paid to the value of R1 195 275 (2022: R1 374 630). The total value of second-tier sales incentives and commission in 2023 amounted to R333 762 (2022: R975 678). The MML sales incentive plan is applicable to participants who are responsible for driving sales. The sales incentive percentage is 20% of the participant's annual TGP, uncapped to a maximum of 400% based on payout increments of target achieved (multiplying effect). Participants must achieve 90% of the target to qualify for full allocation. In FY2023 a total of R4 923 365 was paid out to participants in relation to FY2022 performance.

LONG-TERM INCENTIVE OUTCOMES

A portion of the Share Appreciation Rights ("SARs") in the Novus Holdings Limited Share Appreciation Rights Scheme ("Scheme") awarded to participants in December 2019 vested in December 2022. A total of 523 939 SARs were exercised. No Restricted Share Plans were exercised in 2022.

In terms of the deferred cash bonus scheme, R1 748 805 is payable to scheme participants in relation to FY2022.

Participants, who took part in the MML long-term incentive received restricted stock units on a discretionary basis, have been advised that this scheme has been discontinued and will be replaced by the current Novus Holdings deferred LTI scheme.

Executive directors' remuneration table

The tables below set out the total remuneration earned by the EDs. In the 2023 financial year, Novus Holdings regarded its EDs as its prescribed officers as defined in the Companies Act, read with the Companies Regulations, 2011. Shareholders are referred to notes 16 and 30 of the full audited Annual Financial Statements for the year ended 31 March 2023 for further information on Board remuneration.

Year ended 31 March 2023

Executive directors	Fees for services as director R'000	Remuneration R'000	Pension fund R'000	STI R'000	LTI[1] R'000	Total remuneration in FY2023 R'000
Ms K Alwar	–	2 295	225	633	158	3 311
Mr N Birch	–	4 369	631	4 543	605	10 148

Year ended 31 March 2022

Executive directors	Fees for services as director R'000	Remuneration R'000	Pension fund R'000	STI R'000	LTI[1] R'000	Total remuneration in FY2022 R'000
Ms K Alwar	–	2 040	190	480	–	2 710
Mr N Birch	–	3 983	344	4 500	–	8 827
Mr HA Todd	–	2 554	217	250	–	3 021

1 *The indicative value of outstanding options/SARs was calculated based on the number of instruments held by the individual at year-end share price (or SAR valuation) less the instrument's strike (or option) price. Only indicative gains were disclosed. The following shares prices (or SAR valuations) were applicable at 31 March 2023: Novus Holdings Limited – R3,80.*

NED fees

The table below sets out the fees paid or accruing to individual NEDs in the 2023 financial year.

The Committee has approved the prospective fee levels for NEDs.

Non-executive directors	Fees paid in 2023 R'000	Fees paid in 2022 R'000
Mr D Mack*	–	126
Mr A Mayman	338	312
Ms N Mkhondo**	213	220
Dr P Mnganga**	624	600
Ms L Mtanga	296	285
Mr A van der Veen	259	207
Mr A Zetler	263	131
Mr SDM Zungu*	–	97

* *Resigned as NED on 27 August 2021.* ** *Resigned as NED on 31 March 2023.*

Approval

This remuneration report was approved by the Human Capital Committee on 15 June 2023.

ADRIAN ZETLER
Chairman: Human Capital Committee

15 June 2023

Social and Ethics Committee Report

The Novus Holdings Social and Ethics Committee assists the Board in monitoring and reporting on the Group's corporate citizenship, sustainability and ethics in compliance with its Charter or Terms of Reference as stipulated by the Board. In this regard, the Committee consistently ensures that the Board achieves its statutory obligations in terms of Section 72 read with Regulation 43 of the Companies Act, 2008 (Act 71 of 2008), as amended ("Companies Act"), the JSE Listings Requirements and the recommended practices of the King IV™ Report on Corporate Governance for South Africa 2016 (King IV™). This report is presented in accordance with the requirements of the Companies Act and should be read together with the Group's Responsible Business Report.

Novus Holdings' strategy recognises that having a strong ethical base is imperative for our business and key in delivering long-term value for our stakeholders. The Social and Ethics Committee promotes responsible environmental and social practices which facilitate fairness, accountability, responsibility and transparency in order to support business resilience, enhance our reputation as a corporate citizen and benefit all our key stakeholders, including but not limited to our employees, customers, suppliers and shareholders.

COMPOSITION AND FUNCTIONING

This Committee comprises of three suitably skilled members as appointed by the Board and set out on page 43 of this report. The group executive: human resources and CFO also attend committee meetings as invitees.

RESPONSIBILITIES OF THE COMMITTEE

In this financial year, the Committee ensured that the Group achieves, in particular, the following responsibilities:

- Monitoring of the Group's ethical culture and legal compliance;
- Sustain social and economic development;
- Maintain good corporate citizenship;
- Stakeholder relations including employees, customers, suppliers and shareholders;
- Achieve health and public safety;
- Manage environmental impact;
- Strategic and impactful empowerment and transformation;
- Good labour relations and working conditions; and
- Training and skills development.

The effectiveness of the Committee is monitored by the Board on a quarterly basis through its reporting and feedback to the Board and through the Board's annual self-evaluation process. In the latter process, it was confirmed that the Committee adequately discharged its mandate. The Committee was also of the view that the evaluation process was effective in improving its performance. Attendance at committee meetings is detailed on page 43 of this report.

UPDATE ON FY2023 FOCUS AREAS AND HIGHLIGHTS

The Committee developed a number of new policies and reviewed the Group's existing policies to ensure commitment and compliance with key monitoring and reporting of all relevant practices. The Committee has made various recommendations to management and/or the Board in this regard. During the year under review, the Committee reviewed its Charter, as well as the Company's Code of Ethics, and other policies specifically relating to the key focus areas for the year.

Building Strong Foundations for Future Growth

Novus Holdings prides itself on actively making a sustainable difference in the communities in which we operate through Future Foundations, the umbrella under which all our socio-economic development ("SED") and corporate social investment ("CSI") projects are conducted.

The principle behind Future Foundations and Novus Holdings' SED is adopting and promoting an approach of giving 'a hand up, not a hand-out'. The aim is to provide the right type of support to NGOs or beneficiaries that empowers them to become sustainable on their own over time.

All CSI projects implemented through Future Foundations are centered around enhancing education by way of providing access to high-quality learner and teacher support materials, as well as improving and supplying school infrastructure. Through Future Foundations, the Social and Ethics Committee ensured the achievement of the commitment to donate 1% of net profit after tax ("NPAT") to CSI. Some key projects that directly benefitted from this contribution include the Isithebe Day Care Centre, The New Africa Education Foundation by way of Mobile Library installations and Container Library installations through Breadline Africa.

The Group further contributed to the education community through the Marang Education Trust ("MET"), which in partnership with MML, facilitates various initiatives aimed at improving the quality of teaching, learning and school management in the country. Established in 2008, MET provides research-based professional development and support that embodies systems thinking principles and practices to teachers and school management teams in selected rural and township schools across South Africa.

Focused on Health, Wellness and Safety

The Group's health and safety policy is driven by visible and responsible leadership, as well as by encouraging all employees to take ownership of their own safety and the safety of their co-workers.

Our ‘Goal is Zero’ campaign targets zero injuries or health-related incidents, process or risk-related incidents, environmental incidents and zero distribution incidents across operations. All our employees are encouraged to be a Target Zero Champion, thereby taking personal responsibility for the successful implementation of our Safety, Health, Environment, Risk and Quality ("SHERQ") principles in their daily operations.

Sustaining Proactive Transformation and Skills Development

The Group successfully maintained its Level Two B-BBEE Contributor status with a new certificate issued in November 2022, thereby demonstrating its commitment to proactive transformation.

In recognising that Novus Holdings’ human capital is its core asset, the Committee continued to monitor progress made with regards to the Group’s transformation activities, as measured by the generic scorecard issued by the Department of Trade and Industry ("DTI"), to track its Broad-Based Black Economic Empowerment scoring.

The Group’s employment equity and skills development plans were reviewed by the Committee, with progress measured in accordance with the overall short-, medium- and long-term strategy, and its targets. This is to ensure effective and wide-reaching skills development programmes for employees, with an added focus on enterprise and supplier development, as well as socio-economic development.

The business has been guided by the Committee's transformation and equity strategy, ensuring a focus on strengthening our progressive work environment through skills development, succession planning and applying diversity of thought in the daily operations of the Group.

Conducting business responsibly and with integrity

Having a strong ethical base is imperative for our business. The Committee reviewed compliance with the regulatory framework applicable to the Group and monitored the effectiveness of the compliance management programme. Compliance with the anti-bribery and corruption ("ABC") programme was monitored, to ensure that the business was held to the highest standards of integrity, including extending this to suppliers and customers who interact with our organisation.

FOCUS AREA FOR THE 2024 FINANCIAL YEAR

- Fostering an ethical culture;
- Ensuring wider employee engagement initiatives to uphold a unified workforce and culture through aligned values;
- Securing enhanced and sustained transformation efforts across the Group;
- Continually evaluating employment equity targets, recognising successes, and ensuring improved skills development initiatives; and
- Monitoring the effectiveness of compliance management programmes within the Group.

During the period under review, the Committee has discharged its responsibilities appropriately. Management have confirmed that there have been no material non-compliances with legislation or regulations which are within the remit of the Committee’s mandate. In addition, there have not been any infringements of the relevant governance codes.

LULAMA MTANGA
Chairman: Social and Ethics Committee

Summary Annual Financial Statements

Statement of responsibility by the Board of Directors

for the year ended 31 March 2023

In discharging this responsibility, the board of directors of Novus Holdings Limited ("the Board") rely on the management of the Group to prepare the consolidated annual financial statements, separately available on **www.novus.holdings** in accordance with International Financial Reporting Standards ("IFRS") and the South African Companies Act, 2008 (Act 71 of 2008), as amended ("Companies Act"). The summary consolidated annual financial statements include amounts based on judgements and estimates made by management. The information given is comprehensive and presented in a responsible manner.

The Board accepts responsibility for the preparation, integrity and fair presentation of the summary consolidated annual financial statements and are satisfied that the systems and internal financial controls implemented by management are effective. The Board's responsibilities also include implementing adequate controls and security to maintain the integrity of the Company's website.

The Board believes that the Group and the Company have adequate resources to continue operations as a going concern in the foreseeable future, based on forecasts and available cash resources. The summary consolidated annual financial statements support the viability of the Group and the Company. The preparation of the summary consolidated annual financial statements was supervised by the CFO, Keshree Alwar CA(SA).

The independent auditing firm, PricewaterhouseCoopers Inc., which was given unrestricted access to all financial records and related data, including minutes of all meetings of shareholders, the Board of directors ("Board") and committees of the Board, has audited the consolidated annual financial statements from which the summary consolidated annual financial statements were derived. The Board believes that all representations made to the independent auditors during their audit were valid and appropriate. PricewaterhouseCoopers Inc.'s audit report is presented on page 64.

The summary consolidated annual financial statements were approved by the Board on 14 July 2023 and are signed on its behalf by:

A VAN DER VEEN
Executive Chairman

K ALWAR
Chief Financial Officer

Executive Chairman and CFO responsibility statement

Each of the directors, whose names are stated below, hereby confirm that –

a. the Annual Financial Statements set out on pages 21 to 99 of the comprehensive Annual Financial Statements*, fairly present in all material respects the financial position, financial performance and cash flows of the Company in terms of IFRS;
b. to the best of our knowledge and belief, no facts have been omitted or untrue statements made that would make the annual financial statements false or misleading;
c. internal financial controls have been put in place to ensure that material information relating to Novus Holdings Limited and its consolidated subsidiaries have been provided to effectively prepare the financial statements of Novus Holdings Limited;
d. the internal financial controls are adequate and effective and can be relied upon in compiling the annual financial statements, having fulfilled our role and function as executive directors with primary responsibility for implementation and execution of controls;
e. where we are not satisfied, we have disclosed to the Audit and Risk Committee and the auditors any deficiencies in design and operational effectiveness of the internal financial controls, and have taken steps to remedy the deficiencies; and
f. We are not aware of any fraud involving directors.

A VAN DER VEEN
Executive Chairman

K ALWAR
Chief Financial Officer

** separately published and available on the Company's website at* ***www.novus.holdings.***

Report of the Audit and Risk Committee

The Audit and Risk Committee ("the Committee") submits this report for the year ended 31 March 2023. The Committee's full report appears in the full Annual Financial Statements, and this report constitutes an abridged version thereof.

The Committee comprises three non-executive directors, of which the majority are independent and has met three times during the past financial year. The Committee has adopted formal terms of reference, delegated to it by the Board, as its committee charter. The Committee has discharged the functions in terms of its charter and adhered to it in terms of the Companies Act.

The Committee performed the following duties in respect of the year under review:

- Reviewed the year-end financial statements, culminating in a recommendation to the Board to adopt them.
- During the course of its review the Committee:
  - takes appropriate steps to ensure that the financial statements are prepared in accordance with International Financial Reporting Standards ("IFRS") and in the manner required by the Companies Act;
  - considers and, when appropriate, makes recommendations on internal financial controls;
  - deals with concerns or complaints relating to accounting policies, internal audit, the auditing or content of annual financial statements, and internal financial controls; and
  - reviews legal matters that could have a significant impact on the organisation's financial statements.
- Satisfied itself, based on information and explanations supplied by management and obtained through discussions with the external auditor, that Novus Holdings' be regarded as a going concern;
- Reviewed the external audit reports on the annual and summary financial statements;
- Approved the internal audit charter and audit plan;
- Reviewed the internal audit and risk management reports, and, where relevant, recommendations are made to the Board;
- Evaluated the effectiveness of risk management, controls and the governance processes;
- Verified the independence of the external auditors, nominated PricewaterhouseCoopers Inc. as the auditors for 2023 and noted the appointment of Mr Paul Liedeman as the designated audit partner;
- In terms of the requirements of the IRBA, the Group was obliged to rotate its external auditor for the 2024 financial year. Following a comprehensive tender process, the Committee has recommended to appoint BDO South Africa Incorporated ("BDO") as the new external auditor of the Group, with Ms Fayaz Mohamed as the designated audit partner, replacing PricewaterhouseCoopers Inc. with effect from the financial year commencing on 01 April 2023. The appointment is subject to shareholder approval at the Group's next Annual General Meeting to be held on 25 August 2023. As required by section 3.84(g) (iii) of the JSE Listings Requirements, the Committee has satisfied itself that BDO is suitable for appointment as audit firm and Ms Fayaz Mohamed, as the appointed designated audit partner respectively by considering, *inter alia*, the information stated in paragraph 22.15(h) of the JSE Listings Requirements;
- Satisfied itself in terms of paragraph 3.84(g)(i) of the JSE Listings Requirements that the CFO, Ms Keshree Alwar, as well as the group finance function, have the appropriate expertise and experience;
- Approved the audit fees and engagement terms of the external auditors;
- Determined the nature and extent of allowable non-audit services and pre-approved the contract terms for the provision of non-audit services by the external auditors; and
- Confirmed that appropriate financial reporting procedures are established by the Group and that those procedures are operating effectively.

A MAYMAN
Chairman: Audit and Risk Committee

14 July 2023

Independent auditor's report on the summary consolidated financial statements

To the Shareholders of Novus Holdings Limited

OPINION

The summary consolidated financial statements of Novus Holdings Limited, set out on pages 66 to 86 of the Integrated Annual Report for the year ended 31 March 2023, which comprise the summary consolidated statement of financial position as at 31 March 2023, the summary consolidated income statement and the summary consolidated statements of comprehensive income, changes in equity and cash flows for the year then ended, and related notes, are derived from the audited consolidated financial statements of Novus Holdings Limited for the year ended 31 March 2023.

In our opinion, the accompanying summary consolidated financial statements are consistent, in all material respects, with the audited consolidated financial statements, in accordance with the JSE Limited's ("JSE") requirements for summary financial statements, as set out in note 2 to the summary consolidated financial statements, and the requirements of the Companies Act of South Africa as applicable to summary financial statements.

SUMMARY CONSOLIDATED FINANCIAL STATEMENTS

The summary consolidated financial statements do not contain all the disclosures required by International Financial Reporting Standards and the requirements of the Companies Act of South Africa as applicable to annual financial statements. Reading the summary consolidated financial statements and the auditor's report thereon, therefore, is not a substitute for reading the audited consolidated financial statements and the auditor's report thereon. The summary consolidated financial statements and the audited consolidated financial statements do not reflect the effects of events that occurred subsequent to the date of our report on the audited consolidated financial statements.

THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS AND OUR REPORT THEREON

We expressed an unmodified audit opinion on the audited consolidated financial statements in our report dated 19 June 2023. That report also includes communication of key audit matters. Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period.

DIRECTOR'S RESPONSIBILITY FOR THE SUMMARY CONSOLIDATED FINANCIAL STATEMENTS

The directors are responsible for the preparation of the summary consolidated financial statements in accordance with the JSE's requirements for summary financial statements set out in note 2 to the summary consolidated financial statements and the requirements of the Companies Act of South Africa as applicable to summary financial statements.

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on whether the summary consolidated financial statements are consistent, in all material respects, with the audited consolidated financial statements based on our procedures, which were conducted in accordance with International Standard on Auditing (ISA) 810 (Revised), Engagements to Report on Summary Financial Statements.

PricewaterhouseCoopers Inc.

PRICEWATERHOUSECOOPERS INC.
Director: Paul Liedeman
Registered Auditor
Cape Town, South Africa

14 July 2023

Summary consolidated statement of financial position

As at 31 March 2023

	Note	2023 R'000	2022 R'000
ASSETS			
Non-current assets		**1 441 286**	1 046 110
Property, plant and equipment	12	**754 993**	793 582
Investment property	13	**62 317**	62 764
Goodwill	14	**80 212**	80 212
Other intangible assets	24	**438 521**	2 795
Financial assets at fair value through other comprehensive income		**3 049**	3 064
Investment in associates	17	**11 197**	12 058
Other financial assets at amortised cost		**570**	1 118
Deferred taxation assets	16	**90 427**	90 517
Current assets		**1 845 841**	1 448 847
Inventory	11.1	**802 446**	437 223
Intangible assets - product development		**54 598**	–
Trade and other receivables	11.2	**547 862**	420 114
Related party receivables	8	**17 499**	20 921
Contract assets	11.2	**9 389**	2 185
Derivative financial instruments	7	**4 401**	487
Current income tax receivable		**17 413**	–
Cash and cash equivalents		**392 233**	567 917
Non-current assets held for sale	10	**109 945**	109 788
TOTAL ASSETS		**3 397 072**	2 604 745
EQUITY AND LIABILITIES			
Capital and reserves attributable to the Group's equity holders		**2 169 867**	2 098 078
Share capital		**507 208**	509 314
Treasury shares		**(343 653)**	(345 759)
Other reserves		**(107 436)**	(118 516)
Retained earnings		**2 113 748**	2 053 039
Non-controlling interest		**46 836**	–
TOTAL EQUITY		**2 216 703**	2 098 078
LIABILITIES			
Non-current liabilities		**346 792**	67 461
Post-employment medical liability		**23 498**	2 940
Provisions		**9 349**	10 748
Borrowings and lease liabilities	15	**189 394**	27 367
Deferred taxation liabilities	16	**121 174**	21 715
Deferred grant income		**3 377**	4 691
Current liabilities		**833 577**	439 206
Post-employment medical liability		**1 798**	–
Current portion of borrowings and lease liabilities	15	**325 537**	4 748
Trade and other payables	11.1	**504 202**	404 224
Current income tax payable		**–**	9 102
Derivative financial instruments	7	**717**	19 811
Bank overdrafts		**9**	7
Deferred grant income		**1 314**	1 314
TOTAL EQUITY AND LIABILITIES		**3 397 072**	2 604 745

Summary consolidated income statement

For the year ended 31 March 2023

	Note	2023 R'000	2022 R'000
Revenue	18	**3 195 625**	3 014 233
Cost of sales		**(2 595 234)**	(2 280 212)
Gross profit		**600 391**	734 021
Operating expenses		**(593 453)**	(540 898)
Administrative and other expenses		**(582 118)**	(539 120)
Net impairment losses on financial assets	11.2	**(11 335)**	(1 778)
Other gains/(losses)	19	**76 624**	(32 260)
Operating profit		**83 562**	160 863
Finance income	20	**21 284**	11 763
Finance costs	21	**(49 245)**	(25 362)
Impairment of associates	19	**–**	(3 968)
Share of net (losses)/profits of associate accounted for using the equity method	17	**(861)**	(7 317)
Profit before taxation		**54 740**	135 979
Taxation	22	**4 853**	(43 172)
Net profit for the year		**59 593**	92 807
Attributable to:			
Equity holders of the Group		**60 585**	92 807
Non-controlling interest		**(992)**	–
		59 593	92 807
Earnings per share (cents):			
Basic	6	**18,90**	30,42
Diluted	6	**18,90**	30,42

Summary consolidated statement of comprehensive income

For the year ended 31 March 2023

	2023 R'000	2022 R'000
Net profit for the year	59 593	92 807
Other comprehensive income/(loss)		
Items that may be subsequently reclassified to profit or loss		
Hedging reserve	3 862	(5 415)
Foreign exchange movement, gross	5 291	(7 521)
Foreign exchange movement, tax portion	(1 429)	2 106
Fair value reserve	(11)	(15)
Net fair value losses gross	(15)	(21)
Net fair value losses, tax portion	4	6
Items that will not be reclassified to profit or loss		
Post-employment benefit obligations and provisions	(69)	(84)
Remeasurement of post-employment benefit obligations and provisions, gross	(96)	(117)
Remeasurement of post-employment benefit obligations and provisions, tax portion	27	33
Total other comprehensive income/(loss), net of tax	3 782	(5 514)
Total comprehensive income for the year	63 375	87 293
Attributable to:		
Equity holders of the Group	64 367	87 293
Non-controlling interest	(992)	–
	63 375	87 293

Summary consolidated statement of changes in equity

For the year ended 31 March 2023

	Note	Share capital and premium R'000	Treasury shares R'000	Total other reserves R'000	Retained earnings R'000	Non-controlling interest R'000	Total equity R'000
Balance as at 01 April 2021		602 656	(507 344)	(112 843)	2 225 000	–	2 207 469
Total comprehensive (loss)/income for the year		–	–	(5 514)	92 807	–	87 293
Profit for the year		–	–	–	92 807	–	92 807
Other comprehensive loss		–	–	(5 514)	–	–	(5 514)
Hedging reserve reclassification adjustment to inventory, gross		–	–	2 551	–	–	2 551
Hedging reserve reclassification adjustment to inventory, tax portion		–	–	(714)	–	–	(714)
Transactions with owners:							
Share based compensation movement		–	–	5 480	–	–	5 480
Share awards vested and issued		(22 416)	22 416	(7 476)	7 476	–	–
Transfer of shares used for scrip dividend		(139 169)	139 169	–	–	–	–
Dividends paid		–	–	–	(203 476)	–	(203 476)
Scrip dividend issue		68 768	–	–	(68 768)	–	–
Scrip issue costs		(525)	–	–	–	–	(525)
Total transactions with owners		(93 342)	161 585	(1 996)	(264 768)	–	(198 521)
Balance as at 31 March 2022		509 314	(345 759)	(118 516)	2 053 039	–	2 098 078
Total comprehensive income for the year		–	–	3 782	60 585	(992)	63 375
Profit for the year		–	–	–	60 585	(992)	59 593
Other comprehensive income		–	–	3 782	–		3 782
Hedging reserve reclassification adjustment to inventory, gross		–	–	5 655	–	–	5 655
Hedging reserve reclassification adjustment to inventory, tax portion		–	–	(1 527)	–	–	(1 527)
Transactions with owners:							
Transactions with non-controlling interests on acquisition date	24	–	–	–	–	65 016	65 016
Transactions with non-controlling interests: Repurchased		–	–	–	–	3 316	3 316
Transactions with non-controlling interests: Issued		–	–	–	–	(3 316)	(3 316)
Share based compensation movement		–	–	3 293	–	–	3 293
Share awards vested and issued		(2 106)	2 106	(124)	124	–	–
Dividends paid		–	–	–	–	(17 188)	(17 188)
Total transactions with owners		(2 106)	2 106	3 169	124	47 828	51 121
Balance as at 31 March 2023		507 208	(343 653)	(107 436)	2 113 748	46 836	2 216 703

Summary consolidated statement of cash flows

For the year ended 31 March 2023

	Note	2023 R'000	2022 R'000
Cash flows from operating activities			
Profit before taxation		**54 740**	135 979
Non-cash movements in profit before tax		**88 117**	153 898
Net changes in working capital		**19 995**	(11 208)
Cash generated from operations		**162 852**	278 669
Finance income	20	**21 284**	11 763
Finance costs	21	**–**	(1 109)
Taxation paid		**(102 512)**	(51 173)
Net cash generated from operating activities		**81 624**	238 150
Cash flows from investing activities			
Property, plant and equipment acquired	12	**(48 904)**	(25 120)
Proceeds on sale of property, plant and equipment		**5 907**	15 905
Proceeds from the sale of non-current assets held for sale		**–**	94 339
Purchase of intangible assets		**(366)**	(420)
Financial assets at amortised cost advanced		**–**	(570)
Financial assets at amortised cost repaid		**507**	1 044
Related party loans advanced		**(643)**	(1 820)
Related party loans repaid		**–**	41 419
Acquisition of subsidiary	24	**(636 085)**	–
Net cash (outflow)/inflow from investing activities		**(679 584)**	124 777
Cash flows from financing activities			
Proceeds from borrowings	15	**1 000 000**	–
Repayment of borrowings	15	**(515 141)**	(13 295)
Principle portion of lease liabilities	15	**(5 233)**	(10 709)
Interest portion of lease liabilities	15	**(3 233)**	(6 359)
Interest paid	21	**(36 931)**	–
Dividends paid to company's shareholders	23	**–**	(203 476)
Dividends paid to non-controlling interests in subsidiaries		**(17 188)**	–
Transactions with non-controlling interests		**–**	(4 000)
Net cash inflow/(outflow) from financing activities		**422 274**	(237 839)
Net (decrease)/increase in cash and cash equivalents		**(175 686)**	125 088
Cash and cash equivalents at the beginning of the period		**567 910**	442 822
Cash and cash equivalents at the end of the period		**392 224**	567 910

Notes to the summary consolidated financial statements

For the year ended 31 March 2023

1 REPORTING ENTITY

The financial data in the summary consolidated financial statements covers the Group's comprehensive commercial printing and manufacturing, as well as the newly acquired educational content developing operations in South Africa. The report is structured to cover the operations according to four business segments:

- Education (includes newly acquired subsidiary, Maskew Miller Learning Proprietary Limited which develops educational content);
- Printing (including gravure, heatset, coldset, sheet-fed and digital);
- Packaging (including labels and flexible packaging);
- Other (other non-print or packaging products).

2 BASIS OF PREPARATION

The summary financial statements are prepared in accordance with the Listings Requirements of the JSE Limited ("JSE") for summary financial statements, and the provisions of the Companies Act, 2008 (Act 71 of 2008), as amended, ("Companies Act") applicable to summary financial statements. The Listings Requirements requires summary financial statements to be prepared in accordance with the framework concepts and the measurement and recognition requirements of International Financial Reporting Standards ("IFRS") and the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and Financial Pronouncements as issued by the Financial Reporting Standards Council and to also, as a minimum, contain information required by IAS 34 Interim Financial Reporting.

The accounting policies applied in the preparation of the consolidated financial statements, from which the summary consolidated financial statements were derived, are in terms of IFRS and are consistent with those accounting policies applied in the preparation of the previous consolidated annual financial statements except for the amendments adopted. None of the new or amended accounting pronouncements that are effective for the financial year commencing 01 April 2022 have a material impact on the Group.

Management considered all new accounting standards, interpretations and amendments to IFRS that were issued prior to 31 March 2023 but not yet effective on that date. These standards are not expected to have a material impact on the entity in the current or future reporting periods.

The summary consolidated financial statements do not include all the notes of the type normally included in consolidated annual financial statements. Accordingly, these summary consolidated financial statements are to be read in conjunction with the consolidated annual financial statements for the year ended 31 March 2023 available at **www.novus.holdings**.

Notes to the summary consolidated financial statements

For the year ended 31 March 2023

3. ACCOUNTING POLICIES

The accounting policies used in preparing the summary consolidated financial statements are in terms of International Financial Reporting Standards and are consistent with those applied in the previous annual financial statements, except for the adoption of the following new accounting standards and amendments to IFRS's that became effective and were adopted by the Group during the current financial year:

Standard/Interpretation	Effective date: Years beginning on or after
Property, Plant and Equipment: Proceeds before Intended Use — Amendments to IAS 16	01 January 2022
Onerous Contracts — Cost of Fulfilling a Contract — Amendments to IAS 37	01 January 2022
Annual Improvements to IFRS Standards 2018-2020, and	01 January 2022
Reference to the Conceptual Framework — Amendments to IFRS 3.	01 January 2022

The relevance of these amendments to the published standards has been assessed with respect to the Group's operations.

4. USE OF ESTIMATES AND ASSUMPTIONS

The preparation of summary financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates. In preparing these summary consolidated financial statements, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated annual financial statements for the year ended 31 March 2023, as well as the prior year.

5. SEGMENT INFORMATION

IFRS 8: Operating Segments requires operating segments to be identified on the basis of internal reports about components of the Group that are regularly reviewed by the chief operating decision-maker ("CODM") to allocate resources to the segments and to assess their performance. The CODM has been identified as the executive committee that makes strategic decisions.

The Group has identified its operating segments based on business by service or product and aggregated it into the reportable segments based on the nature of the operating segment and it meeting the aggregation criteria in terms of IFRS 8 paragraph 12, as they have similar production processes, customers and suppliers. These reportable segments are Print, which comprises printing of books, magazines, retail inserts and newspapers; Packaging, which produces flexible packaging products and prints flexible labels; Education, which is the newly acquired Maskew Miller Learning, which develops educational content for various institutions from government to private colleges; and Other, which includes all non-print, packaging or education related transactions.

5. SEGMENT INFORMATION (continued)

	Printing R'000	Education R'000	Packaging R'000	Other R'000	Eliminations R'000	Total R'000
2023						
External revenue	2 377 812	156 353	659 361	2 099	—	3 195 625
Inter-segmental revenue	4 637		—	—	(4 637)	—
Total revenue	2 382 449	156 353	659 361	2 099	(4 637)	3 195 625
Profit/(loss) before taxation	(79 644)	76 864	56 808	712	—	54 740
Additional disclosure						
Property, plant and equipment additions	28 275	2 543	19 305	—	—	50 123
Capital commitments	2 949	—	—	—	—	2 949
Impairment of assets	(18 576)	—	(3 569)	—	—	(22 145)
Amortisation on acquired intangibles	—	(42 841)	—	—	—	(42 841)
Gain on bargain purchase	—	100 053	—	—	—	100 053
Net impairment losses on financial assets	(9 767)	(1 710)	143	—	—	(11 335)
Investment in associates	—	—	—	11 197	—	11 197
Total assets	2 083 980	1 252 126	567 743	164 748	(671 525)	3 397 072
Total liabilities	679 620	439 785	155 939	576 550	(671 525)	1 180 369

	Printing R'000	Education R'000	Packaging R'000	Other R'000	Eliminations R'000	Total R'000
2022						
External revenue	2 371 270	—	635 400	7 563	—	3 014 233
Inter-segmental revenue	6 238	—	—	—	(6 238)	—
Total revenue	2 377 508	—	635 400	7 563	(6 238)	3 014 233
Profit/(loss) before taxation	145 330	—	(39 142)	29 791	—	135 979
Additional disclosure						
Property, plant and equipment additions	20 037	—	5 083	—	—	25 120
Capital commitments	177	—	—	—	—	177
Impairment of assets	(12 982)	—	(85 687)	(136)	—	(98 805)
Net impairment losses on financial assets	(6 526)	—	4 595	153	—	(1 778)
Investment in associates	—	—	—	12 058	—	12 058
Total assets	2 481 372	—	660 603	294 966	(832 196)	2 604 745
Total liabilities	508 383	—	360 326	470 154	(832 196)	506 667

Notes to the summary consolidated financial statements

For the year ended 31 March 2023

6. EARNINGS PER SHARE

Basic earnings per share

Earnings per share is calculated using the weighted average number of ordinary shares in issue during the period and is based on the net profit attributable to ordinary shareholders. For the purpose of calculating earnings per share, treasury shares are deducted from the number of ordinary shares in issue. Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares and is based on the net profit attributable to ordinary shareholders, adjusted for the after-tax dilutive effect. Currently, the share options granted and vested under equity settled schemes to participating employees and directors are considered anti-dilutive.

Headline earnings per share

Headline earnings per share is calculated using the weighted average number of ordinary shares in issue during the period and is based on the earnings attributable to ordinary shareholders, after excluding those items as required by Circular 01/2023 issued by the South African Institute of Chartered Accountants ("SAICA").

Calculation of headline earnings	Note	2023 R'000	2022 R'000
Earnings			
Net earnings attributable to shareholders		**60 585**	92 807
Adjustments (net of tax):		**(84 165)**	69 353
- (Profit)/loss on sale of property, plant and equipment and non-current assets held for sale		**938**	(6 465)
- Gain on bargain purchase	24	**(100 053)**	–
- Impairment in value of property, plant and equipment	12	**14 950**	49 763
- Impairment in value of intangible assets		**–**	6 490
- Impairment in value of investments in associates	17	**–**	2 857
- Impairment in value of goodwill	14	**–**	16 708
Headline (loss)/earnings		**(23 580)**	162 160
Number of ordinary shares in issue		**346 656 348**	346 656 348
Weighted average number of shares		**320 600 549**	305 099 595
Earnings per ordinary share (cents)			
Basic		**18,90**	30,42
Diluted		**18,90**	30,42
Headline (loss)/earnings per ordinary share (cents)			
Basic		**(7,35)**	53,15
Diluted		**(7,35)**	53,15

7. FINANCIAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS

7.1 Financial risk factors

The Group's activities expose it to a variety of financial risks: market risk (including currency risk, fair value interest rate risk, cash flow interest rate risk and price risk), credit risk and liquidity risk.

7.2 Fair value estimation

The table below analyses specific financial instruments carried at fair value, by valuation method. The different levels have been defined.

	Level 1	Level 2	Level 3	Total
	Quoted prices in active markets for identical assets or liabilities R'000	Significant other observable inputs R'000	Significant unobservable inputs R'000	R'000
At 31 March 2023				
Assets				
Financial assets at fair value through other comprehensive income	**1**	**3 048**	**–**	**3 049**
Derivative financial instruments*	**–**	**4 401**	**–**	**4 401**
Related party loan receivables**	**–**	**–**	**17 499**	**17 499**
	1	**7 449**	**17 499**	**24 949**
Liabilities				
Derivative financial instruments*	**–**	**717**	**–**	**717**
	–	**717**	**–**	**717**
At 31 March 2022				
Assets				
Financial assets at fair value through other comprehensive income	1	3 063	–	3 064
Derivative financial instruments*	–	487	–	487
Related party loan receivables**	–	–	18 521	18 521
	1	3 550	18 521	22 072
Liabilities	–	19 811	–	19 811
Derivative financial instruments*	–	19 811	–	19 811

* *Financial assets/liabilities carried at fair value.*

** *Financial assets/liabilities measured at amortised cost and included in the above table for fair value disclosure.*

Notes to the summary consolidated financial statements

For the year ended 31 March 2023

7. FINANCIAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS (continued)

Valuation techniques used to derive Level 2 fair values

Foreign exchange contracts - In measuring the fair value of foreign exchange contracts, the Group makes use of market observable quotes of forward foreign exchange rates on instruments that have a maturity similar to the maturity profile of the Group's foreign exchange contracts. Key inputs used in measuring the fair value of foreign exchange contracts include current spot exchange rates, market forward exchange rates, and the term of the Group's foreign exchange contracts.

Financial assets at fair value through other comprehensive income - the use of quoted market prices for similar instruments.

Valuation techniques and key inputs used to measure significant Level 3 fair values

Related party loan receivables - the loan is carried at amortised cost which approximates fair value. Fair value was determined based on the use of unobservable inputs including counterparty credit risk.

8. RELATED PARTY TRANSACTIONS

The Group entered into transactions and has balances with related parties including its subsidiaries, directors and associates. Transactions that are eliminated on consolidation as well as profits or losses eliminated through application of the equity method are not included.

The loan to Mthembu Paper Mill Proprietary Limited is non-interest bearing and is payable on demand as at the end of the reporting period. The nature of the loan is deemed to be a shareholders loan to fund initial working capital requirements of the associate. As part of the impairment evaluation of the receivable, if the loan had to be demanded at the reporting date, liquid assets amounting to R78,3 million (2022: R63,9 million) would be available including a secured debtors book amounting to R57,1 million (2022: R32,2 million). A default rate of 2,5% was considered to determine an expected credit loss allowance on the loan receivable and is deemed immaterial.

9. CAPITAL COMMITMENTS AND CONTINGENCIES

Commitments relate to amounts for which the Group has contracted, but that have not yet been recognised as obligations in the statement of financial position.

	2023 R'000	2022 R'000
Authorised capital expenditure		
Already contracted for but not provided for		
— Property, plant and equipment	2 950	177
Lease commitments — as lessee (expense)	—	1 496
	2 950	1 673

Capital commitments in the current year relates to machinery items within the Print segment. The prior year lease commitments relates to leases with underlying assets of a low value (office printers) and leases for paper storage for a period of less than 12 months and therefore have not been capitalised in accordance with the IFRS 16 exemption applied.

10. NON-CURRENT ASSETS HELD FOR SALE

As per the prior year, the asset held for sale relates to the Novus Print Linbro Park building. A binding sale agreement was entered into, with a purchase consideration of R125 million. The conditions precedent were fulfilled subsequent to year end in May 2023 resulting in the sale being unconditional. The registration of transfer has commenced.

	Note	2023 R'000	2022 R'000
Opening balance		109 788	181 336
Transfers from property, plant and equipment	12	157	16 718
Disposals		—	(88 266)
Closing balance		109 945	109 788
Proceeds as per statement of cash flows		—	94 339
Included within profit on sale of assets		—	6 073

In accordance with IFRS 5, the land and buildings were measured at the lower of its carrying amount and fair value less costs to sell at the time of the reclassification.

11 CHANGES IN WORKING CAPITAL

11.1 Inventory and trade and other payables

These balances have increased year on year as a result of increase in value due to excessive increases in pricing and in quantity due to additional strategic stock purchases in the Print segment to mitigate global raw material shortages and availability.

11.2 Contract assets and trade and other receivables

Trade and other receivables increased due to timing of receipts between the current and prior year, as well as the inclusion of the newly acquired subsidiary's trade receivable balance. The balance also includes an expected credit loss allowance of R29,3 million (2022: R20,4 million).

The ageing of the expected loss allowance per age class is presented below:

	2023 R'000	2022 R'000
Current	8 238	6 869
30 days and older	3 763	1 633
60 days and older	3 212	581
90 days and older	2 411	791
120 days and older	11 640	10 573
	29 264	20 447

Notes to the summary consolidated financial statements

For the year ended 31 March 2023

12. PROPERTY, PLANT AND EQUIPMENT

The movement in property, plant and equipment, is mainly due to the following:

	Note	2023 R'000	2022 R'000
Cash acquisitions during the period		**48 904**	25 120
Depreciation during the period		**(71 465)**	(83 887)
Impairments during the period		**(20 479)**	(69 115)
Transferred (to)/from 'held for sale'	10	**(157)**	(16 718)
Acquisition of subsidiary	24	**10 295**	—
		(32 902)	(144 600)

The current year's impairments relate to the following:

Print and Packaging segment

The Group recognised an impairment of property, plant and equipment of R20,5 million (2022: R69,1 million). An impairment charge of R16,9 million was accounted for in the Print segment (2022: Rnil) and R3,6 million within the Packaging segment (2022: R69,1 million). The R69,1 million impairment charge in the prior year relates to assets within the Packaging segment which were impaired to their recoverable amount mainly due to the exit of a large customer contract impacting the future cash flows of the Novus Labels division.

13. INVESTMENT PROPERTY

Investment property relates to the Correll Tissue building now occupied by Mthembu Paper Mill Proprietary Limited. The fair value of the property is considered to be R68,5 million based on current prices in an active market for similar properties. Rental income of R7,4 million (2022: R7,4 million) was recognised related to the property. All property related costs are charged to the lessee.

	2023 R'000	2022 R'000
Opening balance	**62 764**	64 415
Transfer (to)/from owner-occupied property	**1 290**	(136)
Depreciation	**(1 737)**	(1 515)
Closing balance	**62 317**	62 764

14. GOODWILL

The Group has allocated its goodwill to various cash-generating units. The recoverable amounts of these cash-generating units have been determined based on either a value-in-use calculation or fair value less costs to sell, where more appropriate. The value-in-use is based on discounted cash flow calculations. The Group based its cash flow calculations on three years budgeted and two years forecasted information. The budgeted information for year 1 was approved by the Board of directors of the Company ("the Board") on a consolidated level, with years 2 - 3 derived from budgeted information approved by management and extrapolated over the forecasted years. The growth rates disclosed are the long-term average growth rates which were used to extrapolate the cash flows into the future. These rates were also compared to the average long term industry growth rates for reasonableness. The discount rates used are pre-tax and reflect specific risks relating to the relevant cash generating units in which they operate.

	2023 R'000	2022 R'000
Opening balance	**245 984**	245 984
Accumulated impairment	**(165 772)**	(165 772)
Closing balance	**80 212**	80 212

The Group allocated the remaining goodwill to the following cash-generating units:

	Net Book Value R'000	Basis of determination of recoverable amount	Discount rate applied to cash flows	Growth rate to extrapolate cash flows into perpetuity
Cash-generating unit				
At 31 March 2023				
ITB	**80 212**	**Value in use**	**16.8%**	**3%**
	80 212			

Notes to the summary consolidated financial statements

For the year ended 31 March 2023

15. BORROWINGS AND LEASE LIABILITIES

The table below shows a reconciliation of lease liabilities	Note	2023 R'000	2022 R'000
Opening balance		**32 115**	104 700
New leases		**1 219**	–
Acquisition of subsidiary	24	**5 721**	–
Leases terminated		–	(61 876)
Interest		**3 233**	6 359
Payments		**(8 466)**	(17 068)
Closing balance		**33 822**	32 115

The table below shows a reconciliation of borrowings	Note	2023 R'000	2022 R'000
Opening balance		–	–
New borrowings		**1 000 000**	–
Structuring costs paid and to be amortised over the loan period		**(3 750)**	–
Payments		**(544 257)**	–
Interest	21	**29 115**	–
Closing balance		**481 109**	–

Loan covenants

Under the terms of the major borrowing facilities, the Group is required to comply with the following financial covenants:

- Gross debt: EBITDA ratio must be less than 3.5 times for the period of 12 months following 30 November 2022 and 3 times for the remaining period to repayment date of 29 November 2027.
- EBITDA interest expense ratio must be greater than or equal to 3 times.
- Debt service cover ratio must be greater than or equal to 1.3 times.
- A distribution covenant whereby Total Group Debt: EBITDA ratio must be less than 2 times immediately before and after any dividend distribution made by the Group.

The Group has complied with all the required financial covenants at 31 March 2023, except for the debt service cover ratio which was not fulfilled due to the Group's decision to strategically procure paper stock to protect against anticipated paper shortages and supply disruptions to mitigate some of the price risk associated with the ongoing increase in paper costs, leading to significant inventory investment beyond the normal levels at 31 March 2023. This has resulted in increased working capital cash outflows and reduced free cash flow significantly which is used to assess the covenant by comparing free cash flow to the total annual capital and interest repayments due on the term loan and working capital facility. At 31 March 2023, the balance on the term loan outstanding amounted to R484,5 million and the working capital facility amounted to Rnil.

Due to this breach of the debt service ratio covenant clause, the bank is contractually entitled to request repayment of R282,6 million of the outstanding loan amount which has been presented as a current liability in the statement of financial position at 31 March 2023. Subsequent to year-end and prior to approval of these financial statements, the bank has condoned the covenant breach thus not requiring repayment of the loan immediately or within the next twelve months and thus not affecting the liquidity position of the Group. Should repayment have been required in the short term, the Group has adequate cash and facilities available in order to make the payment required. The condonement of the breach did not impact the classification of the liability at 31 March 2023 due to this being a non-adjusting post balance sheet event.

16. DEFERRED TAX ASSET/LIABILITIES

Deferred income tax assets are recognised for tax losses carried forward to the extent that the realisation of the related benefit through future taxable profits is probable. The deferred tax assets relate mainly to carried forward tax losses of Novus Packaging Proprietary Limited. During the current year, in accordance with Section 20 of the Income Tax Act, 1962 (Act 58 of 1962), the assessed loss carried forward from the prior year was limited to 80% of the current year's taxable income, where applicable. Novus Packaging Proprietary Limited had incurred tax losses over a number of years following the acquisition of the Correll Tissue business. They relate mainly to costs of integrating the operations and delays in the expansion project of the business. The increase in the tax losses in the current financial year relates to the assessed loss incurred by Novus Print Proprietary Limited. The Group has concluded that the deferred tax assets will be recoverable using the estimated future taxable income based on budgets that were determined by incorporating approved business plans for the subsidiaries. Novus Packaging Proprietary Limited started to utilise the assessed loss from the 2021 financial year and based on future projections, it is considered unlikely that the same circumstances within which the losses accumulated will recur. The Group expects to fully utilise this deferred tax asset within the next eight years based on current projections and forecasts.

17. INVESTMENT IN ASSOCIATES

The Group currently has three investments in associates in which it holds 49% of the equity interest of these companies.

The investment in Free 4 All Proprietary Limited was purchased for R2,7 million effective 15 December 2020 and the investment in Mikateko Media Proprietary Limited for R3,1 million in 2020. Mthembu Paper Mill Proprietary Limited was accounted for as an investment in associate on 01 October 2020 when the Group lost control of Mthembu Paper Mill Proprietary Limited after it disposed of 51% of its shares in it. The investment in Mthembu Paper Mill was recognised at R19,2 million on 01 October 2020.

Investments in associates have been considered for impairment in accordance with the policy. Both Mikateko Proprietary Limited and Free 4 All Proprietary Limited were impaired to nil in the prior year. No impairment was considered necessary for the investment in Mthembu Paper Mill Proprietary Limited.

There are no contingent considerations from these transactions.

The movements in the carrying value of the Group's investment in associates for the period are detailed in the table below:

	2023 R'000	
Opening balance	**12 058**	23 343
Equity accounted earnings	**(861)**	(7 317)
Impairment of associate	–	(3 968)
Closing balance	**11 197**	12 058

Notes to the summary consolidated financial statements
For the year ended 31 March 2023

		2023 R'000	2022 R'000
18. REVENUE			
Revenue from contracts with customers			
Printing revenue		**2 261 738**	2 259 013
Educational revenue		**156 353**	–
Packaging revenue		**636 263**	613 087
Waste revenue		**22 526**	15 705
Distribution revenue		**86 087**	82 821
Other revenue*		**23 471**	36 220
Revenue other than from contracts with customers			
Other revenue*		**9 187**	7 387
		3 195 625	3 014 233

** Other revenue has been split for disclosure purposes between revenue from contracts with customers and revenue other than from contracts with customers, in line with the Group accounting policies, during the current year and in the prior year column.*

	Notes	2023 R'000	2022 R'000
19. OTHER GAINS/(LOSSES)			
Profit/(loss) on disposal of property, plant and equipment and non-current assets held for sale		**(1 285)**	8 979
Impairment of loan receivable from associate		**(1 665)**	–
Gain on bargain purchase	24	**100 053**	–
Gain on derecognition of lease		**–**	44 019
Insurance proceeds		**–**	9 579
Net impairment of property, plant and equipment	12	**(20 479)**	(69 115)
Impairment of goodwill		**–**	(16 708)
Impairment of intangible assets		**–**	(9 014)
Impairment of associates		**–**	(3 968)
		76 624	(36 228)
20. FINANCE INCOME			
Bank		**20 778**	11 536
Other		**506**	227
Interest received		**21 284**	11 763

	Notes	2023 R'000	2022 R'000
21. FINANCE COSTS			
Net loss from foreign exchange translation and fair-value adjustments on derivative financial instruments*		**12 831**	17 894
Bank		**3 743**	5
Interest on borrowings	15	**29 115**	–
Interest on lease liabilities	15	**3 233**	6 359
Other		**323**	1 104
Interest expense		**36 414**	7 468
		49 245	25 362

** The current year includes R71,6 million (2022: R3,4 million) on translation of trade payables and R58,7 million (2022: R14,5 million) on translation of forward exchange contracts.*

	Notes	2023 R'000	2022 R'000
Cashflow reconciliation of finance cost			
Interest portion of lease liabilities paid per statement of cash flows	15	**3 233**	**6 359**
Finance cost on borrowings and other		**33 181**	1 109
Structuring costs paid	15	**3 750**	–
Interest paid per statement of cash flows		**36 931**	1 109
		40 164	7 468

22. TAXATION

An effective tax rate of -8.9% (2022: 31,7%) was applicable during the current year. The decreased effective tax rate is mainly due to the non-taxable gain on bargain purchase offset by the non-deductible consulting and legal fees incurred as part of the acquisition transaction.

23. DIVIDENDS PAID

No final dividend has been declared (2022: Rnil). The prior year included a final dividend which was a scrip dividend alternative together with a special dividend paid in February 2022 of 40 cents. This amounted to a transfer of 31 258 089 treasury shares to shareholders in September 2021 amounting to R68,8 million and cash dividends paid in September 2021 and February 2022 totalling R203,5 million.

Notes to the summary consolidated financial statements

For the year ended 31 March 2023

24. BUSINESS COMBINATION

On 30 November 2022, Novus Holdings Limited, through its wholly-owned subsidiary, Novus Print Proprietary Limited acquired 75% (10 742 ordinary shares) of the issued share capital of Pearson South Africa Proprietary Limited (now Maskew Miller Learning Proprietary Limited) for a purchase consideration of R842,3 million. The 10 742 ordinary shares translates to 75% voting rights and 94% economic rights. The acquisition has significantly increased the Group's market share in the educational content development industry and creates synergies with the Group's existing Print segment.

The assets and liabilities recognised as a result of the acquisition are as follows:

	2023 R'000
Property, plant and equipment	10 295
Intangible assets	479 017
Other intangible assets	497
Inventory	63 563
Intangible assets - product development	56 976
Cash and cash equivalents	206 242
Trade and other receivables	587 434
Borrowings and lease liabilities	(5 721)
Post-employment medical liability	(24 448)
Trade and other payables	(188 987)
Current income tax payable	(70 747)
Deferred taxation	(106 725)
Net identifiable assets acquired	1 007 396
Less: non-controlling interests	(65 016)
Net assets acquired	942 380
Less gain recognised on acquisition	(100 053)
Cash consideration paid	842 327
Purchase consideration - cash outflow	
Cash consideration paid	842 327
Less cash balances acquired	(206 242)
Net cash outflow per statement of cash flows	636 085

24. BUSINESS COMBINATION (continued)

Intangible assets

Intangible assets of R479 million relates to brand and customer relationships valued at acquisition. The value of intangible assets allocated to brands amounts to R93,4 million and customer relationships amounts to R385,6 million. The brands are accounted for as indefinite useful life assets whilst the intangibles allocated to customer relationships are amortised over a three-year period from 01 December 2022. A deferred tax liability of R129,3 million has been recognised.

Non-controlling interest recognised

The Group recognised non-controlling interests in Maskew Miller Learning Proprietary Limited ("MML") at the non-controlling interest's proportionate share (3,23%) of the acquired entity's net identifiable assets. In addition to this, the equity settled share-based payment recorded in the books of MML was also recognised as non-controlling interest in the statement of financial position, with a fair value of R32,4 million. Background to this equity settled share-based payment is as follows:

In 2016, Sphere RB Investments Proprietary Limited ("Sphere"), subscribed for 22,5% of MML's equity shares via 326 ordinary shares for cash of R49 927 928 and 2 897 Accelerated Empowerment ("AE") shares in cash for R29 and the balance of the purchase price for the AE Shares was funded via a Notional Acquisition Funding Amount ("NAFA") of R443 684 685 (together comprising 22,5% of MML's total equity shares). The subscription of the AE shares is in effect a share option scheme via a non-recourse loan. As the subscription of the ordinary and AE shares and the provision of the notional funding took place at the same time, the transactions have the same counterparties, they relate to the same risk and there is no economic need or substantive business purpose for structuring the transactions separately, the two transactions were viewed as one and the substance of the transaction is that of an option issued.

MML accounted for a cash settled share-based payment liability as a result of the acquisition by Sphere of the 22,5% of MML's equity shares initially. By way of the Deed of Adherence entered into on 12 August 2022 and as part of the acquisition, Sphere agreed to waive its rights pertaining to this option from the signature date of such document, being 09 August 2022. This resulted in a modification of the cash settled share-based payment to an equity settled share-based payment. The equity settled share-based payment was recognised as non-controlling interest in the statement of financial position. An independent valuation was performed using the Monte Carlo simulation model as at 30 November 2022 to arrive at a fair value of R32,4 million. Within the simulation, the expiration date of the option is the final repayment date of the NAFA on 26 September 2026 with the risk-free rate of return ranging from 8,02%-8,57% used to measure the drift, which is associated with each annual time step, from the South African government bond yield curve on 30 November 2022. A standard deviation rate of 33,52% was used and the dividends forecast as per the NAFA schedule were used to adjust the price path of the 10 000 iterations at each time step.

	2023 R'000
Reconciliation of non-controlling interest:	
Non-controlling interest share of the net identifiable assets and liabilities at acquisition (3,23%)	32 539
Sphere's 22,5% interest in Maskew Miller Learning Proprietary Limited	32 477
	65 016

Notes to the summary consolidated financial statements
For the year ended 31 March 2023

24. BUSINESS COMBINATION (continued)

Bargain purchase recognised

A gain on acquisition of R100,1 million was recognised, due to the consideration paid being less than the fair value of the assets acquired. The gain on bargain purchase is disclosed within the Education segment in note 5.

Acquired receivables

The fair value of acquired trade receivables is R587,4 million.

Revenue and profit contribution

The acquired business on a stand-alone basis contributed revenue of R156 million and net profit after tax of R14,8 million to the Group for the period 01 December 2022 to 31 March 2023.

If the acquisition had occurred on 01 April 2022, Group consolidated pro-forma revenue and profit after tax for the year ended 31 March 2023 would have been R3 979,5 million and R392,4 million, respectively.

Acquisition-related costs

Acquisition-related costs of R14,3 million included in administrative expenses in the income statement and in operating cash flows in the statement of cash flows.

25. EVENTS AFTER THE REPORTING DATE

Subsequent to year-end the conditions precedent relating to the sale of Novus Print Linbro Park property for R125 million, were fulfilled resulting in the sale becoming unconditional. Accordingly the transfer of the property has commenced.

Other than already disclosed in note 15 and the above, the Board is not aware of any matters or circumstances arising since the end of the financial year and the date of this report.

26. GOING CONCERN

Although the Group has experienced increased expenses due to excessive paper price increases during the year in the Print segment, this seemed to have stabilised towards the end of the financial year with the outlook being more positive in the industry. Impairments during the current year amounted to R22,1 million (2022: R98,8 million) decreased significantly since the prior year. The directors believe that the Group has adequate financial resources to continue in operation for the foreseeable future and accordingly the annual financial statements have been prepared on a going concern basis. The directors have satisfied themselves that the Group is in a sound financial position and that it has access to sufficient borrowing facilities to meet its foreseeable cash requirements. As at 31 March 2023, the Group is in a strong liquidity position with a positive closing cash balance of R392,2 million (2022: R567,9 million) and unutilised short and medium-term borrowing facilities of R562,9 million (2022: R140,5 million). The directors are not aware of any new material changes that may adversely impact the Group and are satisfied that no material uncertainty exists that might cast significant doubt on the entity's ability to continue as a going concern. 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 Group.

Shareholder Information

Shareholder spread

	Number of shareholders	% of total shareholders	Number of shares in issue	% of issued share capital
1 - 1 000	5 270	77,12%	960 725	0,28%
1 001 - 50 000	1 353	19,80%	14 633 299	4,22%
50 001 - 100 000	105	1,54%	7 998 478	2,31%
100 001 - 10 000 000	97	1,42%	75 025 447	21,64%
10 000 001 and above	8	0,12%	248 038 399	71,55%
Total	6 833	100,00%	346 656 348	100,00%
Distribution of shareholders per category				
Individuals	6 400	93,67%	27 816 669	8,03%
Private companies	199	2,91%	210 376 799	60,69%
Nominees and Trusts	103	1,51%	25 371 175	7,32%
Banks	17	0,25%	10 389 782	3,00%
Insurance companies	7	0,10%	6 462 347	1,86%
Pension funds and Medical-aid societies	44	0,64%	18 423 531	5,31%
Collective investment schemes and Mutual funds	63	0,92%	47 816 045	13,79%
Total	6 833	100,00%	346 656 348	100,00%
Public and Non-public shareholdings				
Public	6 827	99,91%	114 564 530	33,05%
Non-public	6	0,09%	232 091 818	66,95%
Total	6 833	100,00%	346 656 348	100,00%

Top 10 Shareholders
at 31 March 2023

Shareholder	Number of shares[2]	% of issued shares[2]	Cumulative % of issued shares
Peresec Prime Brokers Proprietary Limited[1]	87 568 518	25,26%	25,26%
A2 Investment Partners Proprietary Limited[1]	81 336 072	23,46%	48,72%
Value Capital Partners[1]	37 250 596	10,75%	59,47%
Caxton & CTP Publishers & Printers Limited	32 029 062	9,24%	68,71%
Novus Holdings Share Trust[1]	22 462 562	6,48%	75,19%
Allan Gray	12 526 846	3,61%	78,80%
Ninety One	10 944 078	3,16%	81,96%
RMB Morgan Stanley	8 733 841	2,52%	84,48%
Stanlib Asset Management	4 066 859	1,17%	85,65%
Latiano 554 Proprietary Limited[1]	3 473 325	1,00%	86,65%

1 Directors, employees and related parties.
2 Shareholding inclusive of treasury shares.

Notice of Annual General Meeting

NOVUS HOLDINGS LIMITED (being a profit company in terms of the Companies Act, 71 of 2008 and registered under registration number 2008/011165/06 – "the Company").

NOTICE IS HEREBY GIVEN OF THE ANNUAL GENERAL MEETING OF SHAREHOLDERS, TO BE HELD AS FOLLOWS:

Place: 10 Freedom Way, Marconi Beam, Montague Gardens, Cape Town 7441 (the registered office of the Company)

Date: Friday, 25 August 2023

Time: 11h00

CONVENED PURSUANT TO CLAUSE 24.2 OF THE MEMORANDUM OF INCORPORATION OF THE COMPANY (MOI) IN ACCORDANCE WITH SECTION 61(7), IN CONJUNCTION WITH SECTION 62(1)(a) AND SECTION 63(2)(a), OF THE COMPANIES ACT, 2008 (ACT 71 OF 2008) AS AMENDED ("the Companies Act").

1. INTRODUCTION AND EXPLANATORY NOTES

1.1. ***Purpose*** – the Company proposes:

1.1.1 for the purpose of the Annual General Meeting ("**AGM**"), (i) to present the directors' report and the Annual Financial Statements of the Company for the immediate preceding financial year, an Audit and Risk Committee Report and the Social and Ethics Committee Report (if any); (ii) to consider and, if deemed fit, to adopt with or without amendment, the resolutions set out below; and (iii) to consider any matters raised by the shareholders of the Company, with or without advance notice to the Company; and, more particularly the matters set out below;

1.1.2 to elect and approve the appointment of the Audit and Risk Committee;

1.1.3 to place a certain number of the authorised share capital of the Company under the control of the directors of the Company;

1.1.4 to authorise the Company to acquire/repurchase the Company's own securities;

1.1.5 to approve the non-executive directors' remuneration;

1.1.6 to approve ancillary matters, all as set out in the further resolutions hereunder; and

1.1.7 to authorise any director or secretary of the Company to sign and give effect to the resolutions set out hereunder.

1.2. ***Attendance and voting*** – the shareholders are notified that:

1.2.1 **Identification of shareholders** – attendees of the AGM must provide satisfactory identification in accordance with section 63(1) of the Companies Act and the person presiding at the AGM must be reasonably satisfied that the right of any person to participate in and vote (whether as shareholder or as Proxy for a shareholder) has been reasonably verified – forms of identification include valid identity documents, driver's licences and passports.

1.2.2 **Appointment of Proxy** – a shareholder of the Company who is entitled to attend the AGM and to vote thereat is entitled in accordance with the MOI of the Company to appoint one Proxy to attend the AGM on his/her behalf, to participate and speak and vote thereat in the place of the shareholder and/or appoint a person/s to exercise voting rights in accordance with section 57(1) of the Companies Act.

1.2.3 **Status of Proxy** – a Proxy need not also be a shareholder of the Company.

1.2.4 **Proxy Form** – a form of Proxy, which includes the relevant instructions for its completion, is attached for the use by certificated shareholders and "own name" dematerialised shareholders who wish to be represented at the AGM. Completion of a form of Proxy will not preclude such shareholder from attending and voting (in preference to that shareholder's Proxy) at the AGM. Dematerialised shareholders, other than "own name" dematerialised shareholders, who wish to vote at the AGM, must instruct their Central Securities Depository Participant ("**CSDP**" or "**participant**") or broker accordingly in the manner and cut-off time stipulated by their CSDP or broker. The form appointing a Proxy and the authority (if any) under which it is signed, must reach the transfer secretaries of the Company **(JSE Investor Services Proprietary Limited by email to** meetfax@jseinvestorservices.co.za **or delivery/mailing to One Exchange Square, 2 Gwen Lane, Sandown, 2196) by no later than 11h00 on Wednesday, 23 August 2023** (i.e. at least 48 hours before the commencement of the AGM (or postponed/adjourned AGM) at which the Proxy intends to exercise that shareholder's rights. Thereafter, the Proxy form may be delivered to the chairperson of the AGM, at the AGM, before voting on a particular resolution commences. A form of Proxy is enclosed with this notice of AGM ("**Notice**"). The form of Proxy may also be obtained from the registered office of the Company or the Company's **website**.

1.2.5 **Electronic participation** – The Company will make provision for shareholders or their proxies who are unable to attend in person, to participate electronically in the AGM by way of telephone conferencing. Should you wish to participate in the AGM by telephone conference call as aforesaid, you, or your proxy, will be required to advise the Company thereof by no later than Wednesday, 23 August 2023 by submitting a request via email to the Company Secretary at **company.secretary@novus.holdings** with the following required information: an email address; cell phone number and landline; and full details of the shareholder's title to the securities issued by the Company and proof of identity; for certificated ordinary shares – copies of identity documents and share certificates; and for dematerialised ordinary shares without "own-name" registration – written confirmation from the shareholder's CSDP confirming the shareholder's title to dematerialised ordinary shares.

Upon receipt of the required information, the shareholder concerned will be provided with a secure code and instructions to access the electronic communication during the AGM. Shareholders must note that access to the telephone conference call will be at the expense of the shareholders who wish to utilise the facility. Shareholders and their appointed proxies attending by conference call will not be able to cast their votes at the AGM through this medium.

1.2.6 All resolutions put to the vote shall be decided by a polled vote in accordance with clause 26.3 of the Memorandum of Incorporation of the Company ("**MOI**").

1.3 ***Interpretation*** – it is recorded that words and phrases defined anywhere in the text of this Notice shall bear the same meaning throughout the Notice, unless otherwise indicated. "**Listings Requirements**" mean the Listings Requirements of the JSE Limited ("**JSE**"). "**King IV™ Report**" means the King IV Report on Corporate Governance™ for South Africa, 2016.

2. RECORD DATE, REQUISITE QUORUM AND VOTING MAJORITY FOR THE RESOLUTIONS TO BE PASSED AT THE ANNUAL GENERAL MEETING OF SHAREHOLDERS

2.1 The voting record date for the Annual General Meeting (being the date used for the purpose of determining which shareholders are entitled to participate in and vote at the AGM) as determined by the board of directors of the Company ("**the Board**") is Friday, 18 August 2023. Accordingly, the last day to trade in the Company's shares in order to be recorded in the shareholders' register to be entitled to vote will be Tuesday, 15 August 2023.

2.2 The requisite quorum is determined, subject to the Companies Act, in accordance with clause 24.4.1 of the MOI, read in conjunction with the definition of "shareholder" in clause 1.1.26 of the MOI, to count the number of shareholders for purposes of a quorum.

2.3 For the special resolutions set out hereunder to be passed, it must be supported by at least 75% of the voting rights exercised of all shareholders present in person or by proxy on each of these special resolutions respectively, at the AGM.

2.4 For the ordinary resolutions set out hereunder to be passed, it must be supported by more than 50% of the voting rights of all shareholders present in person or by proxy at the AGM, exercised on each of these ordinary resolutions respectively.

2.5 In respect of the endorsements regarding the remuneration policy and the implementation report by way of non-binding advisory votes in accordance with the King IV™ Report, not more than 25% of the votes exercised should be exercised against either or both these reports, failing which, the measures prescribed by the Listings Requirements shall be implemented.

2.6 The special resolutions and ordinary resolutions to be passed at the AGM of shareholders are as set out hereunder.

3. INTEGRATED ANNUAL REPORT AND NO CHANGE STATEMENT

3.1 ***Integrated Annual Report*** – the integrated report of the Company for the financial year ended 31 March 2023 is available at **www.novus.holdings** or on request during normal business hours at the registered office of the Company, 10 Freedom Way, Marconi Beam, Montague Gardens (contact person: Keshree Alwar) and in Johannesburg at the sponsor of the Company, Merchantec Capital (contact person: Monique Martinez). In particular, reference is also made to the remuneration payable to the non-executive directors and members of the Board committees, as contained in this integrated report that had been approved at the Annual General Meeting held on 26 August 2022 for the two financial years ended respectively on 31 March 2022 and 31 March 2023; as well as for the financial year ending 31 March 2024, as supplemented in terms of Special Resolution Number 1 below.

3.2 ***Statement of no material change*** – other than the facts and developments reported on in the integrated report and Annual Financial Statements, there have been no material changes in the affairs or financial position of the Company and its subsidiaries since the date of signature of the audit report and up to the date of this Notice.

4. ORDINARY RESOLUTION NUMBER 1 – CONSIDERATION AND ACCEPTANCE OF FINANCIAL STATEMENTS

Resolved that, the financial statements of the Company and the Group for the twelve (12) months ended 31 March 2023 (as approved by the Board) and the reports of the directors, the auditor and the Audit and Risk Committee be considered and accepted.

Note: The summarised audited results for the year ended 31 March 2023 form part of this Notice. A copy of the full annual financial statements of the Company for the financial year ended 31 March 2023 can be obtained from **www.novus.holdings** or on request during normal business hours at the registered office of the Company, 10 Freedom Way, Marconi Beam, Montague Gardens (contact person: Keshree Alwar) and in Johannesburg at the sponsor of the Company, Merchantec Capital (contact person: Monique Martinez).

5. ORDINARY RESOLUTION NUMBER 2 – APPOINTMENT OF AUDITOR

Resolved that, on the recommendation of the Company's Audit and Risk Committee, the firm BDO South Africa Incorporated be appointed as the independent registered auditors of the Company (with Fayaz Mohamed as the designated audit partner who will undertake the audit) for the period until the next AGM of the Company.

Note: The Audit and Risk Committee of the Company has satisfied itself that BDO South Africa Incorporated (including the designated audit partner who undertakes the audit) is independent as contemplated by the South African independence laws and the applicable rules of the International Federation of Accountants (IFAC) and nominated the appointment of BDO South Africa Incorporated as the independent registered auditor to the Company, to report on the financial year ending 31 March 2024, until the conclusion of the 2024 Annual General Meeting. Furthermore, the Audit and Risk Committee has, in terms of paragraph 3.86 of the Listings Requirements, considered and satisfied itself that BDO South Africa Incorporated, the reporting accountant and designated audit partner are accredited and appear on the JSE List of Accredited Auditors, in compliance with section 22 of the Listings Requirements.

6. ORDINARY RESOLUTION NUMBER 3 – CONFIRMATION OF APPOINTMENT OF EXECUTIVE DIRECTOR

Resolved that, in accordance with clause 33.1 of the MOI read in conjunction with clause 30.2.1 of the MOI and pursuant to the authority granted in terms of clause 30.2.5 of the MOI, the appointment of the executive directors on an individual basis, who do not retire by rotation but whose appointment must be confirmed at each Annual General Meeting, be and is hereby confirmed and approved, the names and particulars of which directors and the respective dates of their appointment are as set out hereunder –

6.1 ***ORDINARY RESOLUTION NUMBER 3.1*** – Appointment of André van der Veen as executive director, being the Executive Chairman of the Company (Appointed 01 April 2023).

General Note re Ordinary Resolution Number 3: In the interest of good corporate governance and in compliance with paragraph 3.84 of the Listings Requirements, the Company has service contracts with executive directors and they do not rotate in accordance with the MOI of the Company. The Board of Directors of the Company unanimously recommends the approval of the appointment of the executive director in question on the above mentioned basis.

7. ORDINARY RESOLUTION NUMBER 4 – CONFIRMATION OF APPOINTMENT OF NON-EXECUTIVE DIRECTOR

Resolved that, in accordance with clause 30.2.7 of the MOI read in conjunction with clause 30.2.1 of the MOI, the appointment of the directors, the name and particulars and the date of appointment are as set out hereunder, to fill a vacancy, be and is hereby confirmed in a vote on an individual basis in respect of each director, as set out hereunder –

7.1 ***ORDINARY RESOLUTION NUMBER 4.1*** – Appointment of Marang Mashologu as an independent non-executive director of the Company (Appointed 01 April 2023).

Note: The above director, being eligible for appointment, has been appointed by the Board, who recommends the election of this director. Her abridged curriculum vitae appears on page 39 of this integrated report.

8. ORDINARY RESOLUTION NUMBER 5 – RE-ELECTION OF NON-EXECUTIVE DIRECTORS

Resolved that, in accordance with clauses 30.3.4.1 and 30.3.4.6 of the MOI read in conjunction with clause 30.3.4.2 of the MOI, the election and appointment of directors, who retire by rotation and, being eligible, offer themselves for re-election, be and is hereby approved by a vote on an individual basis in respect of each director, the names and particulars of which directors and the respective dates of their election and appointment are as set out hereunder –

8.1 ***ORDINARY RESOLUTION NUMBER 5.1*** – Re-election of Adrian Steven Zetler as a non-executive director (appointed 27 August 2021).

Note: One-third of the number of directors in office is subject to rotation and the directors to retire in each year shall be those who have been longest in office since their last election, but as between persons who were elected as directors on the same day, those to retire shall, unless they otherwise agree among themselves, be determined by lot. His abridged curriculum vitae appears on page 39 of this integrated report. The Board unanimously recommends the approval of the re-election and appointment of the director above.

9. ORDINARY RESOLUTION NUMBER 6 – APPOINTMENT OF AUDIT AND RISK COMMITTEE

Resolved that, as required in terms of section 94(2) of the Companies Act and as recommended by the King IV™ Report, the election and appointment of independent non-executive directors as members of the Audit and Risk Committee, whose names and particulars and the respective dates of appointment are as set out hereunder, be and is hereby approved in a vote on an individual basis in respect of each of the aforementioned Audit and Risk Committee members, namely –

9.1 ***ORDINARY RESOLUTION NUMBER 6.1*** – Re-appointment of Abduraghman Mayman as member and Chairman of the Audit and Risk Committee (appointed as director – 01 March 2020).

9.2 ***ORDINARY RESOLUTION NUMBER 6.2*** – Re-appointment of Hellen Lulama Mtanga as member of the Audit and Risk Committee (appointed as director – 15 July 2017).

9.3 ***ORDINARY RESOLUTION NUMBER 6.3*** – Re-appointment of Adrian Steven Zetler[1] as member of the Audit and Risk Committee (appointed as director – 27 August 2021).

Note: The Board unanimously recommends the approval of the re-appointments of the Audit and Risk Committee members above, and is satisfied that all of them:

- are suitably skilled and experienced; and
- collectively have sufficient qualifications and experience in all necessary disciplines to fulfil their duties, as contemplated in regulation 42 of the Regulations 2011, promulgated under the Companies Act.
- They have a comprehensive understanding of financial reporting, internal financial controls, risk management and governance processes within the Company, as well as International Financial Reporting Standards ("**IFRS**") and other regulations and guidelines applicable to the Company. They keep up to date with developments affecting their required skills set. Furthermore, the Audit and Risk Committee has the requisite number of independent non-executive directors, in terms of section 94(2) of the Companies Act. Their abridged curricula vitae appear on page 39 of this integrated report.

10. ORDINARY RESOLUTION NUMBER 7 – ENDORSEMENT OF THE NOVUS HOLDINGS REMUNERATION POLICY AND IMPLEMENTATION REPORT

Resolved, by way of a non-binding advisory vote, to endorse the Company's Remuneration Policy (excluding the remuneration of the non-executive directors and the members of statutory and Board committees for their services as directors and members of committees – considering paragraph 3.1 above) and the Implementation Report as required in terms of the King IV™ Report, as set out in the integrated report on pages 48 to 52 and pages 53 to 55, respectively, to be endorsed separately in respect of each of the aforementioned matters, namely –

10.1 ***ORDINARY RESOLUTION NUMBER 7.1*** – Endorsement of the Remuneration Policy

10.2 ***ORDINARY RESOLUTION NUMBER 7.2*** – Endorsement of the Implementation Report

Note: The King IV™ Report (and the Listings Requirements) includes definitive disclosure requirements dealing with boards and directors, that requires companies to table their Remuneration Policy and the Implementation Report every year for shareholders in a non-binding advisory vote at the Annual General Meeting. This vote enables shareholders to express their views on the remuneration policies adopted for, among others, executive directors and on their implementation. The Remuneration Policy is contained under the heading "Part 2: Remuneration Policy" in the Human Capital Committee Report on page 48. The Implementation Report is contained under the heading "Part 3: Implementation of Remuneration Policy for the year ended on 31 March 2023" in the Human Capital Committee Report on page 53. The Remuneration Policy deals with, *inter alia*, the Company's approach to remuneration governance, reward philosophy and strategy and guidelines on the various components making up the remuneration packages of employees of the Company including the remuneration arrangements in place for the non-executive directors. It must be noted that the remuneration to be paid to non-executive directors for their services as directors will require the approval of the shareholders of the Company by special resolution (see paragraph 11 below), in terms of the Companies Act, such remuneration having been benchmarked in relation to other similar-sized public-listed companies in South Africa. This Ordinary Resolution Number 7 is of an advisory nature only and failure to pass this resolution will not have any legal consequences relating to existing arrangements.

However, the Board will take the outcome of the vote into consideration and in the event of 25% or more of the votes exercised being against either or one or both endorsements, the Company will extend an invitation to dissenting shareholders to engage with the Company when considering the Remuneration Policy for the remuneration of, among others, executive directors, and the remuneration of the directors which in any event needs to be approved in terms of Special Resolution Number 1 below.

11. SPECIAL RESOLUTION NUMBER 1 – REMUNERATION OF NON-EXECUTIVE DIRECTORS

Resolved that, in accordance with sections 66(8) and (9) of the Companies Act, the payment of remuneration to non-executive directors of the Company in office for their services as directors and the remuneration to members of the respective committees of the Company, be and is hereby approved and sanctioned as set out below:

	2023/24		2024/25	
	Chairman (R)	**Member (R)**	Chairman (R)	Member (R)
Board of directors	**655 200**	**175 812**	691 236	185 482
Audit and Risk Committee	**131 040**	**65 520**	138 247	69 124
Human Capital Committee	**96 096**	**48 048**	101 381	50 691
Social and Ethics Committee	**69 888**	**34 944**	73 732	36 866

Reason and effect: In terms of section 66(9) of the Companies Act, a company's shareholders are required to pre-approve the payment of remuneration to non-executive directors for their services as directors for the ensuing financial year by means of a special resolution passed by shareholders of the Company within the previous two years. The **effect** of the resolution will be that the aforementioned payment of remuneration of non-executive directors and committee members of the Company for their services as such for the period until 31 March 2024 and for the period until 31 March 2025 will be approved.

12.1 ***SPECIAL RESOLUTION NUMBER 1.1*** – Approval of remuneration of Executive Chairman

Resolved that, in accordance with sections 66(8) and (9) of the Companies Act, the payment of remuneration to the Executive Chairman of the Company in office for his services acting in both capacities, be and is hereby approved.

12.2 ***SPECIAL RESOLUTION NUMBER 1.2*** – Approval of Remuneration of Directors (other than Executive Chairman) and the Committee Members

Resolved that, in accordance with sections 66(8) and (9) of the Companies Act, the payment of remuneration to the Directors (other than Executive Chairman) and the Committee Members of the Company in office for their services acting in their respective capacities, be and is hereby approved.

13. SPECIAL RESOLUTION NUMBER 2 – FINANCIAL ASSISTANCE IN TERMS OF SECTION 44

Resolved that, the board of directors may, subject to section 44 of the Companies Act and the MOI, authorise the Company to generally provide direct or indirect financial assistance as contemplated by section 44 of the Companies Act by way of loan, guarantee, the provision of security, or otherwise (including a director or prescribed officer of the Company) for the purpose of, or in connection with, the subscription for any option, or any securities, issued or to be issued by the Company, or any related or inter-related Company to the Company, or for the purchase of any securities of the Company, or any related or inter-related Company, provided that no such financial assistance may be provided at any time in terms of this authority after the expiry of two years from the date of the adoption of this Special Resolution Number 2.

Note: The **reason** for and **effect** of this Special Resolution Number 2 is to, in terms of section 44 of the Companies Act, grant the directors of the Company the authority to provide financial assistance to the potential recipients as set out in the resolution. This authority shall include and also apply to the granting of financial assistance to the Novus Holdings Share Trust for purposes of the ESOP, the SAR Schemes and RSP Scheme; and participants there-under (which may include directors, future directors, prescribed officers of the Company or of a related or interrelated Company) in accordance with the terms and conditions of these aforementioned employee incentive schemes.

14. SPECIAL RESOLUTION NUMBER 3 – FINANCIAL ASSISTANCE IN TERMS OF SECTION 45

Resolved that, the board of directors may, subject to section 45 of the Companies Act and the MOI, authorise the Company to generally provide direct or indirect financial assistance as contemplated by section 45 of the Companies Act to any to any related or inter-related Company or corporation, or to a member of a related or inter-related corporation; provided that no such financial assistance may be provided at any time in terms of this authority after the expiry of two years from the date of the adoption of this Special Resolution Number 3 or the date of the Annual General Meeting of the Company to be held in 2024, whichever is the earlier.

Note: The **reason** for and **effect** of this Special Resolution Number 3 is to, in terms of Section 45 of the Companies Act, grant the directors of the Company the authority to provide financial assistance to the potential recipients as set out in the resolution.

General note: Both Sections 44 and 45 of the Companies Act provide, among others, that the particular financial assistance must be provided only pursuant to a special resolution of the shareholders, adopted within the previous two years, which approved assistance either for the specific recipient, or generally for a category of potential recipients, and such recipient falls within that category, the Board must be satisfied that:

i. immediately after providing the financial assistance, the Company would satisfy the solvency and liquidity test as contemplated in Section 4 of the Companies Act; and

ii. the terms under which the financial assistance is proposed to be given are fair and reasonable to the Company.

15. SPECIAL RESOLUTION NUMBER 4 – GENERAL AUTHORITY TO ACQUIRE (REPURCHASE) SHARES

Resolved that, the Company and/or any of its subsidiaries be and are hereby authorised, in terms of section 48, as read with section 46, of the Companies Act and clause 21 of the MOI, by way of a general authority, to approve the repurchase from time to time of its own issued ordinary shares by the Company, or approve the purchase of ordinary shares in the Company by any of its subsidiaries, in either instance upon such terms and conditions and in such amounts as the board of directors of the Company may from time to time determine, but always subject to the provisions of the Memorandum of Incorporation and the Listings Requirements, being that:

- any such acquisition of ordinary shares shall be effected through the order book operated by the JSE trading system and done without any prior understanding or arrangement between the Company and the counterparty (reported trades are prohibited);
- this general authority shall be valid until the Company's next Annual General Meeting, provided that it shall not extend beyond 15 (fifteen) months from the date of passing of this Special Resolution Number 4;
- an announcement will be published on SENS as soon as the Company or any of its subsidiaries has acquired ordinary shares constituting, on a cumulative basis 3% (three percent) of the number of ordinary shares in issue at the time the general authority is granted ("initial number"), and for each 3% (three percent) in aggregate of the initial number acquired thereafter, containing full details of such acquisitions;
- acquisitions of shares in aggregate in any one financial year may not exceed 20% (twenty percent) of the Company's ordinary issued share capital as at the date of passing of this Special Resolution Number 4, nor may any subsidiary hold more than 10% (ten percent) of the Company's issued share capital at any one time;
- in determining the price at which ordinary shares issued by the Company are acquired by it or any of its subsidiaries in terms of this general authority, the maximum premium at which such ordinary shares may be acquired will be 10% (ten percent) of the weighted average of the market value at which such ordinary shares are traded on the JSE over the five business days immediately preceding the date of repurchase or purchase (as the case may be) of such ordinary shares by the Company or any of its subsidiaries;
- the Company has been given authority by its Memorandum of Incorporation;
- the Company may only effect the repurchase once a resolution has been passed by the Board confirming that the Board has authorised the repurchase, that the Company has passed the solvency and liquidity test and that since the test was done there have been no material changes to the financial position of the Group;
- at any one point in time, the Company may only appoint one agent to effect any repurchase on the Company's behalf; and
- it is not permissible for the Company and/or its subsidiaries to repurchase or purchase (as the case may be) any shares during a prohibited period as defined by the Listings Requirements, unless a repurchase programme is in place, and full details of the programme have been submitted to the JSE in writing prior to the commencement of the prohibited period; providing that
  - only one independent third party has been instructed to execute the repurchase programme prior to the prohibited period commencing;
  - the repurchase programme includes the name and date of appointment of the independent third party instructed to execute the repurchase programme; and
  - the commencement and termination date of the repurchase and the fixed number of securities to be traded during the period are included in the repurchase programme.

Note: The **reason** for and **effect** of this Special Resolution Number 4 is to grant the Company a general authority in terms of the Listings Requirements for the repurchase by the Company, or a purchase by a subsidiary of the Company, of the Company's issued shares.

General Note: Share Purchases

The directors have no specific intention at present, for the Company to repurchase/purchase any of its shares, but consider that such a general authority should be put in place should an opportunity present itself to do so during the financial year, which is in the best interests of the Company and its shareholders.

The directors, whose names are given on page 38 of this integrated report, collectively and individually accept full responsibility for the accuracy of the information pertaining to this Special Resolution Number 4 and confirm that, to the best of their knowledge and belief, there are no facts in relation to this special resolution that have been omitted which would make any statement in relation to this special resolution false or misleading, and that all reasonable enquiries to ascertain such facts have been made and that this special resolution together with this Notice contains all information required by law and the Listings Requirements in relation to this special resolution.

At the time that the contemplated repurchase/purchase is to take place the Board will ensure that, having considered the effects of the maximum repurchase/purchase, and for a period of 12 (twelve) months thereafter:

- the Company and its subsidiaries ("the Group") will be able, in the ordinary course of business, to pay their debts;
- the assets of the Group, fairly valued in accordance with IFRS, will exceed the liabilities of the Group;
- the share capital and the reserves of the Group will be adequate for ordinary business purposes;
- the working capital of the Group will be adequate for ordinary business purposes.

Other information required by the Listings Requirements

- The JSE Listings Requirements require the following disclosures, which are contained in the Notice as below:
- the issued share capital of the Company – 346 656 348 issued shares; and
- major shareholders of the Company - page 87.

16. **ORDINARY RESOLUTION NUMBER 8 – SIGNING POWERS**

Resolved that, any director of the Company and, where applicable, the Company Secretary, be and is hereby authorised to do all such things, sign all such documentation and take all such actions as may be necessary to implement the above-mentioned special and ordinary resolutions, hereby ratifying, allowing and confirming all and whatsoever the director and, where applicable, the Company Secretary, shall lawfully do or cause to be done or might have done in the premises by virtue of these present.

OTHER BUSINESS

To transact other business that may be transacted at an Annual General Meeting.

BY ORDER OF THE BOARD

Appendices

COMMONLY REFERENCED INDUSTRY TERMS

Coldset

The printing process in which the ink dries naturally through evaporation from and absorption into paper. This method is used for printing newspapers and retail inserts, and makes use of paper reels as input.

Digital printing or continuous digital inkjet technology (CDIT)

A method of printing using digital techniques in which the data and images are printed directly from a computer onto paper. In the case of the continuous digital inkjet printer, a continuous stream of electrically charged ink drops is fired towards the surface. The desired image is created by deflecting unwanted drops.

Finishing

Once printed, a final finished product is produced through varnishing or any other decorative processes, including cutting, folding, trimming, gathering and/or binding, which are applied to the product after printing.

Flexible plastics

Packaging products which include retail checkout bags, tamper-evident security bags, courier envelopes, as well as food and non-food bags, which are supplied to the retail and industrial sectors.

Heatset

The printing process in which the ink is dried by running the printed paper through an oven immediately after the ink is applied by the printing unit. This method is used for printing high-volume commercial work, magazines and catalogues, and makes use of paper reels as input.

Offset

A process in which a lithographic plate is used to make an inked impression on a rubber blanket that transfers it to the paper being printed, instead of being made directly on the paper. Heatset web offset printing provides cost-effective, high quality production for commercial quantities.

Packaging gravure

A method of printing with engraved copper cylinders on powerful gravure presses that provide crisp, full-spectrum colours with registration that holds true over millions of copies. Gravure is ideally suited for high-volume production of wet-glue labels and other product-diversification initiatives, including in-mould labels and flexible packaging (for example shrink sleeves and wrap-arounds).

Publication gravure

A method of printing with engraved copper cylinders on powerful gravure presses that provide crisp, full-spectrum colours with registration that holds true over millions of copies. Ideally suited for high-volume production of publications and commercial products, including weekly, fortnightly and monthly magazines, as well as catalogues and brochures.

Publisher

An entity (person or company) that establishes what editorial content is needed and who the target market is for specific books, periodicals, magazines and computer software. Also processes advertising revenues and placed print work.

Personal protective equipment

Refers to protective clothing, helmets, goggles or other garments and equipment designed to protect the wearer’s body from injury or infection.

Sheet-fed offset

A printing press that feeds sheets of paper, rather than a continuous paper roll or web.

FINANCIAL TERMS AND RATIOS DEFINITIONS

Cash conversion ratio
Cash generated from operations less capital expenditure spent on property, plant and equipment and intangible assets, divided by EBITDA, excluding "other gains/(losses)".

Creditor days
Trade and other payables plus related-party payables divided by cost of sales (inclusive of VAT) multiplied by 365 days.

Debt to equity ratio
Total borrowings divided by total equity.

Debtor days
Trade and other receivables plus related-party receivables divided by revenue (inclusive of VAT) multiplied by 365 days.

Dividend yield
Total dividend declared per share divided by current share price per share on declaration date.

EBIT
The core earnings metric of the Group – earnings before interest and tax.

Free cash flow
Cash generated from operations less capital expenditure spent on property, plant and equipment and intangibles plus proceeds on disposal of assets, less taxation paid.

Headline earnings
A measurement of the Group's earnings based entirely on operational and capital investment activities. It specifically excludes any items that may relate to sales of assets, accounting write-downs or losses/gains on derecognition of investments or leases.

Interest cover
Operating profit divided by interest expense (related-party interest, loans and overdrafts.

Liquidity ratio
Current assets divided by current liabilities.

Operating return on net assets
Operating profit excluding "other gains/(losses)" divided by average operating assets and average net working capital.

Return on assets
Net income after taxation divided by average total assets.

Operating profit
Operating profit disclosed throughout the report except for the summary consolidated financial statements is calculated as operating profit excluding "other gains/(losses)."

Solvency ratio
Total assets divided by total liabilities.

Stock days
Inventory divided by cost of sales (exclusive of VAT) multiplied by 365 days.

Net working capital
Inventory, intangible assets - product development, trade and other receivables, related-party receivables less trade and other payables, short-term cash-settled share-based payment liability and related party payables.

Net return on equity
Net income after taxation divided by average total equity.

Operating assets
Property, plant and equipment, goodwill and intangible assets.

Net asset value per share
Attributable equity divided by issued shares excluding treasury shares.

Corporate Information

NOVUS HOLDINGS LIMITED

(Incorporated in the Republic of South Africa)
Registration number: 2008/011165/06
JSE share code: NVS
ISIN: ZAE000202149

REGISTERED OFFICE

10 Freedom Way, Montague Gardens,
Cape Town 7441
PO Box 37014, Chempet 7442

NON-EXECUTIVE DIRECTORS

Marang Mashologu
Abduraghman Mayman
Lulama Mtanga
Adrian Zetler (Non-Independent)

EXECUTIVE DIRECTORS

André van der Veen (Executive Chairman)
Keshree Alwar (Chief Financial Officer)

SPONSOR

Merchantec Capital, 13th Floor, Illovo Point,
68 Melville Road, Illovo, Sandton 2196
PO Box 41480, Craighall 2024

TRANSFER SECRETARY

JSE Investor Services Proprietary Limited
13th Floor, Rennie House,
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PO Box 4844, Johannesburg 2000

INDEPENDENT REPORTING ACCOUNTANTS AND AUDITORS

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