



## **Novus Holdings Limited and its subsidiaries**

Registration Number: 2008/011165/06

### **Annual financial statements**

for the year ended 31 March 2024

The reports and statements set out below comprise the annual financial statements presented to the shareholders.

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# Statement of responsibility by the Board of directors

for the year ended 31 March 2024

The annual financial statements of the Group and the Company are the responsibility of the directors of Novus Holdings Limited ("Board"). In discharging this responsibility, they rely on the management of the Group to prepare the annual financial statements presented on pages 17 to 97 in accordance with the JSE Listings Requirements, IFRS Accounting Standards as issued by the International Accounting Standards Board (IFRS) and the Companies Act of South Africa, 2008 (Act No 71 of 2008), as amended ("Companies Act"). As such, the 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 directors accept responsibility for the preparation, integrity and fair presentation of the annual financial statements and are satisfied that the systems and internal financial controls implemented by management are effective. The directors' responsibilities also include implementing adequate controls and security to maintain the integrity of the Company's website.

The directors believe 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 financial statements support the viability of the Group and the Company. The preparation of the financial results was supervised by the chief financial officer, Craig Wright CA(SA).

The independent auditing firm, BDO South Africa Incorporated ("BDO"), which was given unrestricted access to all financial records and related data, including minutes of all meetings of shareholders, the Board and committees of the Board, has audited the financial statements. The Board believes that all representations made to the independent auditors during their audit were valid and appropriate. BDO's audit report is presented on page 11.

The annual financial statements were approved by the Board on 13 June 2024 and are signed on its behalf by:



**A van der Veen**  
Chief Executive Officer



**C Wright**  
Chief Financial Officer

## CEO and CFO responsibility statement

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

- The annual financial statements set out on pages 17 to 97, fairly present in all material respects the financial position, financial performance and cash flows of Novus Holdings Limited in terms of IFRS;
- 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;
- 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;
- 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;
- 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 remediated the deficiencies; and
- We are not aware of any fraud involving directors.



**A van der Veen**  
Chief Executive Officer



**C Wright**  
Chief Financial Officer

## Certificate by the Company Secretary

In terms of section 88(2)(e) of the Companies Act of South Africa, 2008 (Act No 71 of 2008), as amended, we, Kilgetty Statutory Services Proprietary Limited, in our capacity as company secretary of Novus Holdings Limited, confirm that for the year ended 31 March 2024, the Company has lodged with the Companies and Intellectual Property Commission, all such returns as are required of a public company in terms of the Companies Act and that all such returns and notices are, to the best of our knowledge, true, correct and up to date.



**Kilgetty Statutory Services (South Africa) Proprietary Limited**  
*Company Secretary*

13 June 2024

# Report of the Audit and Risk Committee

The Audit and Risk Committee ("the committee") submit this report, as required by section 94 of the South African Companies Act, 2008 (Act No 71 of 2008), as amended, ("Companies Act").

## COMPOSITION OF THE AUDIT AND RISK COMMITTEE

The committee comprises:

Mr A Mayman (Chair)  
Ms L Mtanga  
Mr A Zetler

## FUNCTIONS OF THE AUDIT AND RISK COMMITTEE

The committee has adopted formal terms of reference, delegated to it by the Board of directors, as its committee charter. The committee has discharged the functions in terms of its charter and ascribed to it in terms of the Companies Act as follows:

- Reviewed the year-end financial statements, culminating in a recommendation to the Board to adopt them. In the course of its review the committee:
  - takes appropriate steps to ensure that the financial statements are prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IFRS) and in the manner required by the Companies Act and the JSE Listings Requirements;
  - 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.
- Reviewed the external audit reports on the 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 BDO South Africa Incorporated as the auditors for 2024 and noted the appointment of Ms Fayaz Mohamed as the designated auditor;
- 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 and that those procedures are operating effectively.

## MEMBERS OF THE AUDIT AND RISK COMMITTEE

The committee comprises two independent non-executive directors and one non-independent non-executive director who meet at least three times per year in accordance with the committee charter. All members act independently as described in section 94 of the Companies Act.

## ATTENDANCE

The committee has met three times during the year.

The internal and external auditors, in their capacity as auditors to the Group, attended and reported at all three meetings of the committee. Executive directors and relevant senior managers attended meetings by invitation.

Committee agendas provide for confidential meetings between the committee members and the internal and external auditors.

## Report of the Audit and Risk Committee (continued)

### INTERNAL AUDIT

The committee has oversight of the Group's financial statements and reporting process, including the system of internal financial control. It is responsible for ensuring that the Group's internal audit function is independent and has the necessary resources, standing and authority in the organisation to discharge its duties. The committee oversees cooperation between internal and external auditors and serves as a link between the Board and these functions. The internal audit function reports functionally to the chair of the committee and administratively to the Group Chief Financial Officer.

Based on the review of the Group's system of internal controls and risk management, and considering the information and explanations given by management and discussions with the external auditor on the results of the audit, nothing has come to the attention of the committee that caused it to believe that the Group's system of internal controls and risk management are not effective, and that the internal financial controls do not form a sound basis for the preparation of reliable financial statements.

### COMBINED ASSURANCE

The Group implements a combined assurance model ("CAM") and this is overseen by the committee. The CAM draws from the risk management process and assesses the adequacy of assurance being provided using the three lines of defence model (i.e. management-based assurance, risk and compliance-based assurance and independent assurance). The committee has considered the risk assessments and mitigation plans presented by management, evaluated and approved the plans of the internal audit function and the external auditors, and the outcomes of the audit work performed. The committee is satisfied that the combined assurance framework is appropriate and provides sufficient assurance over the Group's risk universe.

### RISK MANAGEMENT

The Group has an enterprise-wide risk management framework which is designed to ensure that significant risks and related incidents are identified, documented, managed, monitored and reported in a consistent and structured manner across the Group. The committee has reviewed the strategic risks which could materially impact the ability of the Group to deliver its objectives and the related mitigation plans and considers these appropriate.

### EXTERNAL AUDITORS

In assessing the auditor's independence, the committee considered guidance contained in King IV™ as well as the Independent Regulatory Board for Auditors ("IRBA") publications and the related commentary thereon. Following a comprehensive tender process, the Audit and Risk Committee recommended to appoint BDO South Africa Incorporated ("BDO") as the new external auditor of the Group, with Ms Fayaz Mohamed as designated audit partner, replacing PricewaterhouseCoopers Inc. with effect from the current financial year that commenced on 01 April 2023. This appointment was approved by shareholders at the Annual General Meeting held on 25 August 2023.

The Board sets a policy that governs the level and nature of non-audit services, which requires pre-approval by the committee for all non-audit services. In determining the independence of the external auditors, the committee confirmed that there were no non-audit services for the 2024 financial year performed by and paid to BDO. In addition, the committee has satisfied itself that the auditors' independence was not prejudiced by any consultancy, advisory or other work undertaken or as a result of any previous appointment as auditor.

The committee has considered the relevant audit quality indicators, including the audit firm's system of quality control. It noted that BDO was subject to a review of its quality control practices in terms of International Standard on Quality Control by the IRBA. No legal or disciplinary proceedings have been concluded against the firm in the past nine years. The committee was satisfied with the quality of the audit concluded.

The committee is satisfied that in discharging its duties in terms of its mandate, it has reviewed and confirmed the independence of BDO, including their internal independence processes, their internal quality review processes, in addition to those conducted by IRBA, and the rotation of the Group audit partner and key component audit partners at least every five years.

# Report of the Audit and Risk Committee (continued)

## SIGNIFICANT AREAS OF JUDGEMENT

Many areas within the financial statements that require judgement form an integral part of the financial statements. The committee has assessed the significance of the assets and liabilities on the statement of financial position and relating items that require significant judgement and the following key audit matters are highlighted:

- **Valuation of goodwill**

The Group tests annually whether goodwill has suffered any impairments, in accordance with the accounting policy stated in note 1.1 and 1.5. The committee is satisfied that the carrying values of goodwill are fairly stated. Further details are provided in note 3.

- **Valuation of Property, Plant and Equipment**

The Group evaluates the carrying values of property, plant and equipment for impairment whenever circumstances indicate that the carrying value of such assets might not be recoverable in accordance with the accounting policy stated in note 1.1 and 1.4. The committee is satisfied that the carrying values of these assets are fairly stated. Further details are provided in note 2.

The Group engages with internal technical experts in assessing the appropriateness of estimated useful lives in accordance with the accounting policy stated in note 1.1. The committee agreed with the procedures followed to determine the appropriate economic useful lives that are a true reflection of the future economic use of the applicable assets. Further details are provided in note 2.

- **Valuation of investments in subsidiaries**

The Group tests annually whether investments in subsidiaries have suffered any impairments, in accordance with the accounting policy stated in note 1.1 and 1.2. The committee is satisfied that the carrying values of these investments are fairly stated. Further details are provided in note 5.

- **Valuation of intangible assets acquired as part of a business combination**

The Group determines the fair values of all identifiable intangible assets acquired as part of a business combination using recognised valuation techniques, in accordance with the accounting policy stated in note 1.1 and 1.5. The committee is satisfied that the carrying values of these intangibles are fairly stated. Further details are provided in note 4.

## EXPERTISE AND EXPERIENCE OF CHIEF FINANCIAL OFFICER AND THE FINANCE FUNCTION

In terms of the JSE Listings Requirements, the committee performs an annual evaluation of the financial reporting function in the Group. The committee was satisfied that the financial reporting function had appropriate resources, skills, expertise and experience. The committee also confirmed that it is and was satisfied that Mr Craig Wright, the Group Chief Financial Officer, possesses the appropriate skills, expertise and experience to meet the responsibilities required for that position during his service as such.

## DISCHARGE OF RESPONSIBILITIES

The committee determined that during the financial year under review it had discharged its legal and other responsibilities as governed in the Board approved charter. The Board concurred with this assessment.

## Report of the Audit and Risk Committee (continued)

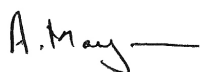
### ANNUAL REPORT

- **Annual financial statements**

After review of the annual financial statements for the year ended 31 March 2024, the committee is of the opinion that, in all material respects, they comply with the relevant provisions of the Companies Act, the JSE Listings Requirements and IFRS as issued by the International Accounting Standards Board (IASB), and fairly present the results of operations, cash flow and the financial position. On this basis, the committee recommended that the Board of directors approve the annual financial statements for the year ended 31 March 2024.

- **Integrated annual report**

The committee reviewed this report, taking cognisance of material factors and risk that may impact the integrity thereof and recommended that the Board of directors approve the integrated annual report for the year ended 31 March 2024.



**A Mayman**

*Chairman: Audit and Risk Committee*

13 June 2024

# Directors' report to the shareholders

The Board herewith presents the report on the activities and financial results for the year under review:

## NATURE OF THE BUSINESS

Novus Holdings Limited ("Novus Holdings" or "the Group" or "the Company") was incorporated in 2008 under the laws of the Republic of South Africa. Our principal operations are in print media, labels, flexible plastic packaging and education. These activities are conducted primarily in South Africa.

## FINANCIAL REVIEW

Novus Holdings' performance for the 2024 financial year improved since the previous year, with overall revenue up by 23,9% in 2024 to R4,0 billion (2023: R3,2 billion). Gross profit margin increased by 9,9% year on year.

Print revenue comprising 58,8% (2023: 74,4%) of total revenue decreased year on year, due to reduced volumes and an increased contribution from the education segment.

Education revenue comprising 24,4% (2023: 4,9%) of total revenue increased year on year due to the inclusion of 12 months revenue in the current year compared to 4 months in the prior year, following the acquisition of Maskew Miller Learning Proprietary Limited on 30 November 2022.

Packaging revenue decreased by 0,4% from 2023 despite a volume decrease and currently represents 16,6% (2023: 20,6%) of the Group's revenue.

The Other segment which comprises mainly non-print/packaging/educational related revenue currently represents 0,2% (2023: 0,1%) of the Group's revenue.

The current year included impairments of property, plant and equipment which amounted to R24,5 million, mainly within the Print segment. A total impairment charge of R20,5 million was recognised in the prior year.

The Group made a profit after tax of R253,1 million (2023: R59,6 million).

The annual financial statements on pages 17 to 97 set out the financial position, results of operations, changes in equity and cash flows of the Group for the financial year ended 31 March 2024.

## SHARE CAPITAL

The authorised share capital at 31 March 2024 was 3 000 000 000 ordinary no par value shares. The Company cancelled 3 473 325 shares during the financial year from the Johannesburg Stock Exchange market, after obtaining JSE approval effective 9 February 2024. Details are reflected in note 11 of the annual financial statements.

## PROPERTY, PLANT AND EQUIPMENT

At 31 March 2024 the Group's investment in property, plant and equipment amounted to R763,0 million, compared with R755,0 million in the prior year. The Group impaired property, plant and equipment to the value of R24,5 million (2023: R20,5 million) in the current year. Details are reflected in note 2 of the annual financial statements. Capital commitments at 31 March 2024 amounted to R36,5 million (2023: R3,0 million).

## DIVIDENDS

Dividends declared of 50 cents per share amounted to R156 million in the current financial year (2023: Rnil). A final dividend of 50 cents per share was approved by the Board.

## GROUP

The name, country of incorporation and effective percentage interest of the holding company in each of the principal subsidiaries are disclosed in note 5 to the annual financial statements.

## Directors' report to the shareholders (continued)

### BORROWINGS

The Company has unlimited borrowing powers in terms of its memorandum of incorporation.

### GOING CONCERN

The Board believes 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.

### EVENTS AFTER REPORTING DATE

Other than the matters raised in note 42 to the Group annual financial statements, no other events occurred after the reporting date that may have a material effect on the Group's results.

### DIRECTORS AND AUDITOR

The following changes took place during the period:

Effective 01 April 2023, Ms M Mashologu has been appointed to the Board and was subsequently appointed as Chairman of the Human Capital Committee effective 28 March 2024. Ms M Mashologu is a non-independent non-executive director.

Effective 18 March 2024, Dr L Botha has been appointed to the Board and was subsequently appointed as a member of the Social and Ethics Committee. Dr L Botha is an independent non-executive director.

Mr C Wright has been appointed as Chief Financial Officer of the Group effective 01 August 2023, after Ms K Alwar was promoted into the role of Chief Executive Officer for Maskew Miller Learning Proprietary Limited. Ms K Alwar serves on the Board as an executive director. Ms K Julies has been appointed as an alternate director to Mr C Wright, effective 31 August 2023.

Effective 14 November 2023, Mr A Zetler has been appointed as Chairman of the Board, and subsequent to that he has stepped down as Chairman of the Human Capital Committee effective 28 March 2024. Mr A Zetler is a non-independent non-executive director.

Mr André van der Veen was appointed as the Chief Executive Officer effective 14 November 2023 after serving as Executive Chairman of the Board from 01 April 2023.

The Board has appointed BDO South Africa Incorporated as the Group auditors for the 2024 financial year.

### DIRECTORS' INTERESTS AND EMOLUMENTS

Particulars of the emoluments of directors and their interests in the issued share capital of the company and in contracts are disclosed in notes 16, 30 and 36 to the annual financial statements.

Signed on behalf of the Board.



**A van der Veen**  
Chief Executive Officer

13 June 2024



**C Wright**  
Chief Financial Officer

13 June 2024

# Independent auditor's report

To the Shareholders of Novus Holdings Limited and its subsidiaries

## *Report on the Audit of the Consolidated and Separate Financial Statements*

### **OPINION**

We have audited the consolidated and separate financial statements of Novus Holdings Limited and its subsidiaries (the group and company) set out on pages 17 to 97, which comprise the consolidated and separate statements of financial position as at 31 March 2024, and the consolidated and separate statements of profit or loss and other comprehensive income, consolidated and separate statements of changes in equity and the consolidated and separate statements of cash flows for the year then ended, and notes to the consolidated and separate financial statements, including material accounting policy information.

In our opinion, the consolidated and separate financial statements present fairly, in all material respects, the consolidated and separate financial position of Novus Holdings Limited and its subsidiaries as at 31 March 2024, and its consolidated and separate financial performance and consolidated and separate cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board and the requirements of the Companies Act of South Africa.

### **BASIS FOR OPINION**

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of Consolidated and Separate Financial Statements section of our report. We are independent of the group and company in accordance with the Independent Regulatory Board for Auditors' Code of Professional Conduct for Registered Auditors (IRBA Code) and other independence requirements applicable to performing audits of financial statements in South Africa. We have fulfilled our other ethical responsibilities in accordance with the IRBA Code and in accordance with other ethical requirements applicable to performing audits in South Africa. The IRBA Code is consistent with the corresponding sections of the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards). We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **KEY AUDIT MATTERS**

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

## Independent auditor's report (continued)

### Key audit matter

#### Assessment of impairment of intangible assets (consolidated financial statements)

As a result of the acquisition of Maskew Miller Learning Proprietary Limited in the prior financial period, the group recognised an intangible asset with an indefinite useful life namely Brands.

Refer to notes 1.1(i), 1.5 and 4 to the consolidated financial statements for disclosures regarding this intangible asset.

An annual impairment assessment is required for the intangible asset with an indefinite useful life.

The carrying value of the Group's intangible assets recognised as Brands amounted to R93,4 million as at 31 March 2024.

Management determined the recoverable amounts of the Cash generating units (CGUs) to which this intangible asset is allocated by calculating the CGUs' value-in-use.

This requires management to make subjective judgements concerning the cash flows, growth rates and discount rates of the CGUs.

A discounted cash flow calculation was used to determine the recoverable amounts of the CGUs. The calculation was based on three years' budgeted and two years' forecasted information using the long-term average industry growth.

We considered the impairment of the intangible asset to be a matter of most significance to our current year audit of the consolidated financial statements due to the degree of estimation uncertainty and the judgement applied by management in assessing the impairments as well as the magnitude of these balances.

### How our audit addressed the key audit matter

#### Our audit procedures included:

Through discussion with management, we obtained an understanding of the approach followed by them in assessing the recoverable amount of the intangible asset with an indefinite useful life that arises at a consolidated level.

We evaluated the design and implementation of controls surrounding the assessment of impairment of the intangible asset.

We evaluated the valuation methodologies used by management in determining the recoverable amounts and considered whether the value-in-use of the cash generating unit's (CGUs) were appropriate and consistent with the requirements of IAS 36 *Impairment of Assets*.

We obtained the value-in-use model and performed the following procedures:

- a. We assessed the mathematical accuracy of the model by casting and cross casting the supporting computations.
- b. We obtained management's value-in-use computation and utilised our internal valuation expertise to evaluate the key assumptions applied by management which included:
  - i. The WACC rate applied,
  - ii. The growth rate applied
- c. We assessed management's forecasted future cash flows against historical performance and agreed the forecasted information to management's approved budgets and business plans. The key assumptions applied by management included:
  - i. Earnings before interest, tax and depreciation,
  - ii. capital expenditure requirements,
  - iii. working capital requirements,
  - iv. pre-tax cash outflows

We performed independent sensitivity calculations on the impairment assessments to ascertain the impact of changes to the key assumptions on the available headroom.

We recalculated and compared the carrying amounts of the CGU to the recoverable amount based on the value-in-use.

We evaluated the appropriateness of the disclosures in the consolidated financial statements against the requirements of IFRS Accounting Standards.

## Independent auditor's report (continued)

### Key audit matter

#### Assessment of impairment of plant and machinery (consolidated financial statements)

The carrying value of the Group's plant and machinery as at 31 March 2024 amounted to R352 million. Within the Group's carrying amount, plant and machinery of R164.6 million relates to the Print Segment.

Items of plant and machinery are assessed by management for impairment whenever circumstances indicate that the carrying values may not be recoverable. Refer to notes 1.1(b), 1.4 and 2 to the consolidated financial statements for disclosures regarding plant and machinery.

After considering that impairment indicators exist due to the declining print industry, the Print Segment recognised an impairment charge of R21.7 million relating to plant and machinery.

Management determines the recoverable amounts of the CGUs to which plant and machinery are allocated by calculating the higher of the CGUs' fair value less costs to sell or value-in-use. This requires management to make subjective judgements concerning the cash flows, growth rates and discount rates of the CGUs.

Individual plant and machinery were assessed, and assets were impaired to their recoverable amount based on fair value less cost to sell. The inputs that were available include market values of these assets obtained from manufacturers or agents of the same equipment or similar types of equipment.

We considered the impairment of plant and machinery to be a matter of most significance to our current year audit of the consolidated financial statements due to the degree of estimation uncertainty and the judgement applied by management in assessing the impairments, as well as the magnitude of these balances.

#### Assessment of impairment of investments in subsidiaries (Separate financial statements)

The carrying value of investments in subsidiaries in the separate financial statements amounted to R1,06 billion as at 31 March 2024. The Company's most significant wholly owned subsidiary includes Paarl Media Holdings Proprietary Limited (R1,044 billion) which comprises the Print and Education segment.

### How our audit addressed the key audit matter

#### Our audit procedures included:

Through discussions with management, we obtained an understanding of the approach followed by them to determine the recoverable amount of plant and machinery.

We evaluated the design and implementation of controls surrounding the assessment of impairment plant and machinery.

We evaluated the methodologies used by management in determining the recoverable amounts and considered whether the fair value less costs to sell of the plant and machinery were appropriate and consistent with the requirements of IAS 36 *Impairment of Assets* and IFRS 13 *Fair value Measurement*.

We have assessed the fair value less cost to sell as the recoverable amount.

We obtained the fair value less costs to sell model and performed the following procedure:

- a. We assessed the reasonableness of the fair value less cost to sell recoverable amounts for plant and machinery by assessing actual market prices that would be received from independent agents and print machine manufacturers on similar plant and equipment considering their remaining useful life.

We compared the carrying amounts of plant and machinery to the recoverable amounts based on the fair value less costs to sell and recalculated the amount of the impairment.

We recalculated the mathematical accuracy of the fair value less costs to sell calculations performed by management by casting and cross casting the computations obtained.

We evaluated the appropriateness of the disclosures in the consolidated financial statements against the requirements of IFRS Accounting Standards.

#### Our audit procedures included:

Through discussion with management, we obtained an understanding of the approach followed by them in assessing the recoverable amount of investments in subsidiaries.

We evaluated the design and implementation of controls surrounding the assessment of impairment of investment in subsidiaries.

## Independent auditor's report (continued)

### Key audit matter

Refer to notes 1.1(d), 1.2 and 5 to the annual financial statements for disclosures relating to the investments in subsidiaries.

After considering that impairment indicators exist due to the declining print industry within the Print Segment, an impairment assessment was performed by management.

Impairment is assessed with reference to value-in-use and fair value less cost to sell calculations, leveraging the assessment of the subsidiaries' underlying cash flows (as explained in the key audit matter on the consolidated financial statements) to determine the recoverable amount of the investment.

Management determined the value-in-use as the recoverable amount.

We considered the impairment of investments in subsidiaries to be a matter of most significance to our current year audit due to the degree of estimation uncertainty and the judgement applied by management in assessing the impairments as well as the magnitude of these balances.

### How our audit addressed the key audit matter

We evaluated the valuation methodologies used by management in determining the recoverable amounts and considered whether the value-in-use of the investments in subsidiaries was appropriate and consistent with the requirements IAS 36 *Impairment of Assets*.

We have assessed the value-in-use as the recoverable amount.

We have assessed the recoverable amount of Paarl Media Holdings Proprietary Limited concurrently with assessing the Print and Education segments CGU's value-in-use forecasted cash flows as the recoverable amount is supported by the assets within those segments.

We obtained the value-in-use model and performed the following procedures:

- a. We assessed the mathematical accuracy of the model by casting and cross casting the supporting computations.
- b. We obtained management's value-in-use computation and utilised our internal valuation expertise to evaluate the key assumptions applied by management which included:
  - i. The WACC rate applied; and
  - ii. The growth rate applied
- c. We assessed management's forecasted future cash flows against historical performance and agreed the forecasted information to management's approved budgets and business plans. The key assumptions applied by management included:
  - i. Earnings before interest, tax and depreciation;
  - ii. capital expenditure requirements;
  - iii. working capital requirements; and
  - iv. pre-tax cash outflows

We performed independent sensitivity calculations on the impairment assessments to ascertain the impact of changes to the key assumptions on the available headroom.

We recalculated and compared the carrying amounts of the investment in subsidiaries to the recoverable amount based on the value-in-use.

We evaluated the appropriateness of the disclosures in the consolidated financial statements against the requirements of IFRS Accounting Standards, specifically relating to the sensitivity of the key assumptions on the recoverable amount.

## Independent auditor's report (continued)

### OTHER INFORMATION

The directors are responsible for the other information. The other information comprises the information included in the document titled "Novus Holdings Limited and its subsidiaries Annual Financial Statements for the year ended 31 March 2024", which includes the Certificate by the Company Secretary, the Report of the Audit and Risk Committee and the Directors' report to the shareholders as required by the Companies Act of South Africa, which we obtained prior to the date of this report, and the Annual Report, which is expected to be made available to us after that date. The other information does not include the consolidated and separate financial statements and our auditor's report thereon.

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

In connection with our audit of the consolidated and separate financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated and separate financial statements, or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed on the other information obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### RESPONSIBILITIES OF THE DIRECTORS FOR THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

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

In preparing the consolidated and separate financial statements, the directors are responsible for assessing the group's and the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the group and/or the company or to cease operations, or have no realistic alternative but to do so.

### AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the consolidated and separate financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated and separate financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated and separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the group's and the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

## Independent auditor's report (continued)

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the group's and the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated and separate financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the group and/or the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated and separate financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

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

### *Report on Other Legal and Regulatory Requirements*

In terms of the IRBA Rule published in Government Gazette Number 39475 dated 04 December 2015, we report that BDO South Africa Incorporated has been the auditor of Novus Holdings Limited and its subsidiaries for one year.

*BDO South Africa Inc.*

**BDO South Africa Incorporated**

*Registered Auditors*

**Fayaz Mohamed**

*Director*

*Registered Auditor*

14 June 2024

119-123 Hertzog Boulevard  
Foreshore  
Cape Town, 8001

## Statements of financial position

as at 31 March 2024

	Notes	Group 2024 R'000	Group 2023 R'000	Company 2024 R'000	Company 2023 R'000
<b>Assets</b>					
<b>Non-current assets</b>					
		<b>1 319 503</b>	1 441 286	<b>1 057 618</b>	1 057 618
Property, plant and equipment	2	763 571	754 993	—	—
Investment property	39	60 551	62 317	—	—
Goodwill	3	87 823	80 212	—	—
Other intangible assets	4	308 849	438 521	—	—
Investments in subsidiaries	5	—	—	1 057 618	1 057 618
Financial assets at fair value through other comprehensive income		3 034	3 049	—	—
Investment in associates	38	13 787	11 197	—	—
Other financial assets at amortised cost		4 907	570	—	—
Deferred taxation asset	6	76 981	90 427	—	—
<b>Current assets</b>					
		<b>1 978 456</b>	1 845 841	<b>476</b>	70
Inventory	7	474 967	802 446	—	—
Intangible assets - product development	4	37 462	54 598	—	—
Trade and other receivables	8	538 710	547 862	—	—
Related party receivables	30	14 749	17 499	—	—
Contract assets	8.1	6 748	9 389	—	—
Current income tax receivable		19 173	17 413	—	—
Derivative financial instruments	32	3	4 401	—	—
Other financial assets at amortised cost		1 598	—	—	—
Financial assets at fair value through profit or loss	40	13 678	—	—	—
Cash and cash equivalents	9	871 368	392 233	476	70
Non-current assets held for sale	10	—	109 945	—	—
<b>Total Assets</b>		<b>3 297 959</b>	3 397 072	<b>1 058 094</b>	1 057 688
<b>Equity</b>					
<b>Capital and reserves attributable to the Group's equity holders</b>					
		<b>2 211 749</b>	2 169 867	<b>1 001 048</b>	600 118
Share capital	11	449 199	507 208	503 416	577 958
Treasury shares	11	(331 385)	(343 653)	(285 641)	(343 650)
Other reserves	12	(111 661)	(107 436)	—	—
Retained earnings		2 205 596	2 113 748	783 273	365 810
Non-controlling interest	41	33 976	46 836	—	—
<b>Total Equity</b>		<b>2 245 725</b>	2 216 703	<b>1 001 048</b>	600 118
<b>Liabilities</b>					
<b>Non-current liabilities</b>					
		<b>446 823</b>	346 792	—	—
Post-employment medical liability	13	24 119	23 498	—	—
Provisions	14	8 534	9 349	—	—
Borrowings and lease liabilities	15	326 845	189 394	—	—
Deferred taxation liabilities	6	84 658	121 174	—	—
Deferred grant income	18	2 667	3 377	—	—
<b>Current liabilities</b>					
		<b>605 411</b>	833 577	<b>57 046</b>	457 570
Post-employment medical liability	13	1 838	1 798	—	—
Current portion of borrowings and lease liabilities	15	100 098	325 537	—	—
Trade and other payables	17	502 765	504 202	400	408
Related party payables	30	—	—	56 646	457 162
Derivative financial instruments	32	—	717	—	—
Bank overdrafts	9	—	9	—	—
Deferred grant income	18	710	1 314	—	—
<b>Total Equity and Liabilities</b>		<b>3 297 959</b>	3 397 072	<b>1 058 094</b>	1 057 688

## Statement of profit or loss

for the year ended 31 March 2024

	Notes	Group 2024 R'000	Group 2023 R'000	Company 2024 R'000	Company 2023 R'000
<b>Revenue</b>	19	<b>3 962 436</b>	3 195 625	<b>589 060</b>	313 836
Cost of sales	21	<b>(2 825 228)</b>	(2 595 234)	—	—
<b>Gross profit</b>		<b>1 137 208</b>	600 391	<b>589 060</b>	313 836
Operating expenses	21	<b>(743 740)</b>	(593 453)	—	—
Administrative and other expenses		<b>(736 048)</b>	(582 118)	—	—
Net impairment losses on financial assets	8	<b>(7 692)</b>	(11 335)	—	—
Other gains/(losses)	20	<b>(11 139)</b>	76 624	—	(16 323)
<b>Operating profit</b>		<b>382 329</b>	83 562	<b>589 060</b>	297 512
Finance income	22	<b>45 070</b>	21 284	—	—
Finance costs	23	<b>(69 508)</b>	(49 245)	<b>(6)</b>	(1)
Share of net profits/(losses) of associates accounted for using the equity method	38	<b>2 590</b>	(861)	—	—
<b>Profit before taxation</b>		<b>360 481</b>	54 740	<b>589 054</b>	297 512
Taxation	24	<b>(107 372)</b>	4 853	—	—
<b>Net profit for the year</b>		<b>253 109</b>	59 593	<b>589 054</b>	297 512
<b>Attributable to:</b>					
Equity holders of the Group		<b>241 905</b>	60 585	<b>589 054</b>	297 512
Non-controlling interest		<b>11 204</b>	(992)	—	—
		<b>253 109</b>	59 593	<b>589 054</b>	297 512
<b>Earnings per share (cents):</b>					
Basic	25	<b>75,86</b>	18,90	—	—
Diluted	25	<b>64,71</b>	18,90	—	—

## Statements of comprehensive income

for the year ended 31 March 2024

	Notes	Group 2024 R'000	Group 2023 R'000	Company 2024 R'000	Company 2023 R'000
<b>Net profit for the year</b>		<b>253 109</b>	59 593	<b>589 054</b>	297 512
<b>Other comprehensive income/(loss)</b>					
<i>Items that may be subsequently reclassified to profit or loss</i>					
<b>Hedging reserve</b>	12	<b>7 030</b>	3 862	—	—
Foreign exchange movement, gross		<b>9 630</b>	5 291	—	—
Foreign exchange movement, tax portion		<b>(2 600)</b>	(1 429)	—	—
<b>Fair value reserve</b>		<b>(11)</b>	(11)	—	—
Net fair value losses gross		<b>(15)</b>	(15)	—	—
Net fair value losses, tax portion		<b>4</b>	4	—	—
<i>Items that will not be reclassified to profit or loss</i>					
<b>Post-employment benefit obligations and provisions</b>	13,14	<b>726</b>	(69)	—	—
Remeasurement of post-employment benefit obligations and provisions, gross		<b>995</b>	(96)	—	—
Remeasurement of post-employment benefit obligations and provisions, tax portion		<b>(269)</b>	27	—	—
<b>Total other comprehensive income, net of tax</b>		<b>7 745</b>	3 782	—	—
<b>Total comprehensive income for the year</b>		<b>260 854</b>	63 375	<b>589 054</b>	297 512
<b>Attributable to:</b>					
Equity holders of the Group		<b>249 650</b>	64 367	<b>589 054</b>	297 512
Non-controlling interest		<b>11 204</b>	(992)	—	—
		<b>260 854</b>	63 375	<b>589 054</b>	297 512

## Statement of changes in equity

for the year ended 31 March 2024

Company	Notes	Share capital R'000	Treasury shares R'000	Retained earnings R'000	Total R'000
<b>Balance as at 01 April 2022</b>		580 064	(345 756)	68 298	302 606
Total comprehensive income for the year		—	—	297 512	297 512
Profit for the year		—	—	297 512	297 512
<b>Transactions with owners:</b>					
Transfer of shares for awards vested		(2 106)	2 106	—	—
<b>Balance as at 31 March 2023</b>		577 958	(343 650)	365 810	600 118
Total comprehensive income for the year		—	—	<b>589 054</b>	<b>589 054</b>
Profit for the year		—	—	<b>589 054</b>	<b>589 054</b>
<b>Transactions with owners:</b>					
Dividends paid	29.2	—	—	<b>(171 591)</b>	<b>(171 591)</b>
Repurchase of shares	11	<b>(46 022)</b>	<b>46 022</b>	—	—
Cancellation of shares		<b>(16 533)</b>	—	—	<b>(16 533)</b>
Transfer of shares for awards vested	11	<b>(11 987)</b>	<b>11 987</b>	—	—
<b>Balance as at 31 March 2024</b>		<b>503 416</b>	<b>(285 641)</b>	<b>783 273</b>	<b>1 001 048</b>
Notes		11	11		

## Statement of changes in equity

for the year ended 31 March 2024

Group	Notes	Share capital and premium R'000	Treasury shares R'000	Existing control business combination reserve R'000	Share-based compensation reserve R'000	Hedging reserve R'000	Actuarial reserve R'000	Fair Value through OCI reserve R'000	Total other reserves R'000	Retained earnings R'000	Attributable to equity holders of the Group R'000	Non-controlling interest R'000	Total equity R'000
<b>Balance as at 01 April 2022</b>		509 314	(345 759)	(129 154)	14 457	(6 576)	2 728	29	(118 516)	2 053 039	2 098 078	—	2 098 078
Total comprehensive (loss)/income for the year		—	—	—	—	3 862	(69)	(11)	3 782	60 585	64 367	(992)	63 375
Profit for the year		—	—	—	—	—	—	—	—	60 585	60 585	(992)	59 593
Other comprehensive loss		—	—	—	—	3 862	(69)	(11)	3 782	—	3 782	—	3 782
Reclassification adjustment to inventory, gross	12	—	—	—	—	5 655	—	—	5 655	—	5 655	—	5 655
Reclassification adjustment to inventory, tax portion	12	—	—	—	—	(1 527)	—	—	(1 527)	—	(1 527)	—	(1 527)
<b>Transactions with owners:</b>													
Transactions with non-controlling interests on acquisition date	38	—	—	—	—	—	—	—	—	—	—	65 016	65 016
Transactions with non-controlling interests: Repurchased	37	—	—	—	—	—	—	—	—	—	—	3 316	3 316
Transactions with non-controlling interests: Issued	37	—	—	—	—	—	—	—	—	—	—	(3 316)	(3 316)
Share based compensation movement		—	—	—	3 293	—	—	—	3 293	—	3 293	—	3 293
Share awards vested and issued		(2 106)	2 106	—	(124)	—	—	—	(124)	124	—	—	—
Dividends paid		—	—	—	—	—	—	—	—	—	—	(17 188)	(17 188)
<b>Total transactions with owners</b>		(2 106)	2 106	—	3 169	—	—	—	3 169	124	3 293	47 828	51 121
<b>Balance as at 31 March 2023</b>		507 208	(343 653)	(129 154)	17 626	1 414	2 659	18	(107 437)	2 113 748	2 169 866	46 836	2 216 702
Total comprehensive income for the year		—	—	—	—	7 030	726	(11)	7 745	241 905	249 650	11 204	260 854
Profit for the year		—	—	—	—	—	—	—	—	241 905	241 905	11 204	253 109
Other comprehensive income		—	—	—	—	7 030	726	(11)	7 745	—	7 745	—	7 745
Reclassification adjustment to inventory, gross	12	—	—	—	—	(10 545)	—	—	(10 545)	—	(10 545)	—	(10 545)
Reclassification adjustment to inventory, tax portion	12	—	—	—	—	2 847	—	—	2 847	—	2 847	—	2 847
<b>Transactions with owners:</b>													
Share based compensation movement		—	—	—	1 253	—	—	—	1 253	—	1 253	—	1 253
Share buy-backs	11	—	(45 741)	—	—	—	—	—	—	—	(45 741)	—	(45 741)
Share awards vested and issued		(11 987)	11 987	—	(805)	—	—	—	(805)	805	—	—	—
Share awards lapsed and expired		—	—	—	(4 719)	—	—	—	(4 719)	4 719	—	—	—
Repurchase and cancellation of shares	11	(46 022)	46 022	—	—	—	—	—	—	—	—	—	—
Dividends paid	29.2	—	—	—	—	—	—	—	—	(155 581)	(155 581)	(24 064)	(179 645)
<b>Total transactions with owners</b>		(58 009)	12 268	—	(4 271)	—	—	—	(4 271)	(150 057)	(200 069)	(24 064)	(224 133)
<b>Balance as at 31 March 2024</b>		449 199	(331 385)	(129 154)	13 355	746	3 385	7	(111 661)	2 205 596	2 211 749	33 976	2 245 725
Notes		11	11	12	12	12	12	12	12			41	

## Statements of cash flows

for the year ended 31 March 2024

	Notes	Group 2024 R'000	Group 2023 R'000	Company 2024 R'000	Company 2023 R'000
<b>Cash generated from operating activities</b>					
Cash generated from operations	27	960 008	162 852	(7)	—
Finance income received	22	45 070	21 284	—	—
Finance costs paid	23	—	—	(6)	(1)
Dividends received		—	—	156 000	—
Taxation paid	28	(131 750)	(102 512)	—	—
<b>Net cash inflow/(outflow) from operating activities</b>		<b>873 328</b>	<b>81 624</b>	<b>155 987</b>	<b>(1)</b>
<b>Cash flows from investing activities</b>					
Property, plant and equipment acquired	2	(108 138)	(48 904)	—	—
Proceeds from sale of property, plant and equipment		1 341	5 907	—	—
Proceeds from sale of intangible assets		447	—	—	—
Proceeds from the sale of non-current assets held for sale	10	122 125	—	—	—
Purchase of intangible assets	4	(504)	(366)	—	—
Financial assets at amortised cost advanced		(6 220)	—	—	—
Financial assets at amortised cost repaid		285	507	—	—
Financial assets at fair value through profit or loss acquired	40	(13 777)	—	—	—
Related party loans repaid/(advanced)	30	2 750	(643)	—	—
Acquisition of subsidiary	37	(12 043)	(636 085)	—	—
<b>Net cash outflow from investing activities</b>		<b>(13 734)</b>	<b>(679 584)</b>	<b>—</b>	<b>—</b>
<b>Cash flows from financing activities</b>					
Proceeds from borrowings	15	300 000	1 000 000	—	—
Repayment of borrowings	15	(380 095)	(515 141)	—	—
Principal portion of lease liabilities	15	(7 893)	(5 233)	—	—
Interest portion of lease liabilities	15	(3 009)	(3 233)	—	—
Finance costs paid	23	(64 067)	(36 931)	—	—
Dividends paid to company's shareholders	29.2	(155 581)	—	(155 581)	—
Dividends paid to non-controlling interests in subsidiaries	41	(24 064)	(17 188)	—	—
Payments for shares bought back		(45 741)	—	—	—
<b>Net cash (outflow)/inflow from financing activities</b>		<b>(380 450)</b>	<b>422 274</b>	<b>(155 581)</b>	<b>—</b>
Net increase/(decrease) in cash and cash equivalents		479 144	(175 686)	406	(1)
Cash and cash equivalents at beginning of the year		392 224	567 910	70	71
<b>Cash and cash equivalents at end of the year</b>	9	<b>871 368</b>	<b>392 224</b>	<b>476</b>	<b>70</b>

# Notes to the annual financial statements

for the year ended 31 March 2024

## ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these annual financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

### 1. BASIS OF PREPARATION

The annual consolidated and separate financial statements of Novus Holdings Limited have been prepared in accordance with the requirements of the JSE Limited Listings Requirements ("Listings Requirements") and the South African Companies Act, 2008 (Act No 71 of 2008), as amended, ("Companies Act"). The Listings Requirements require the financial statements to be prepared in accordance with the framework concepts, the measurement and recognition requirements of IFRS Accounting Standards as issued by the International Accounting Standards Board (IFRS). The financial statements have been prepared under the historical cost convention, as modified by the revaluation of Contracts for differences ("CFDs") and derivatives in notes 33 and 40 at fair value through profit or loss or fair value less costs to sell.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in note 1.1.

These financial statements incorporate accounting policies that have been consistently applied to all years presented, with the exception of the implementation of the following standards, interpretations and amendments to published standards that became effective and were adopted by the Group during the current financial year:

<b>Standard/Interpretation</b>	<b>Effective date: Years beginning on or after</b>
Disclosure of Accounting Policies (Amendments to IAS 1 Presentation of Financial Statements and IFRS Practice Statement 2 Making Materiality Judgements)	<b>01 January 2023</b>
Definition of Accounting Estimates (Amendments to IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors)	<b>01 January 2023</b>
Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to IAS 12 Income Taxes)	<b>01 January 2023</b>

*The relevance of these new standards and amendments to the published standards has been assessed with respect to the Group's operations, and have been found to not have a material impact.*

### Standards, interpretations and amendments to published standards which are not yet effective

Management considered all new accounting standards, interpretations and amendments to IFRS that were issued prior to 31 March 2024, 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.

<b>Standard/Interpretation</b>	<b>Effective date: Years beginning on or after</b>
Classification of Liabilities as Current or Non-Current (Amendments to IAS 1 Presentation of Financial Statements)	<b>01 January 2024</b>
Non-current Liabilities with Covenants (Amendments to IAS 1 Presentation of Financial Statements)	<b>01 January 2024</b>
IAS 21 The Effects of Changes in Foreign Exchange Rates (Amendment – Lack of Exchangeability)	<b>01 January 2024</b>

## Notes to the annual financial statements (continued)

for the year ended 31 March 2024

### 1.1 Critical accounting estimates and assumptions

The Group makes estimates and assumptions concerning the future and these accounting estimates are an integral part of the preparation of financial statements. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are as follows:

#### *a) Estimated impairment of goodwill*

The Group tests annually whether goodwill is impaired, in accordance with the accounting policy stated in note 1.5. The recoverable amounts of cash-generating units are determined as being the higher of the value-in-use or fair value less costs to sell. Calculation of these amounts requires the use of estimates. Further details are provided in note 3.

#### *b) Property, plant and equipment*

The estimated useful economic lives of property, plant and equipment are based on management's judgement and experience. Management engages with internal technical experts in assessing the appropriateness of estimated useful lives and recoverable amounts of property, plant and equipment. When management identifies that actual useful economic lives differ materially from the estimates used to calculate depreciation, that charge is adjusted prospectively. Due to the significance of property, plant and equipment investment to the Group, variations between actual and estimated useful economic lives could impact operating results both positively and negatively, although historically few changes to estimated useful economic lives have been required.

The Group is required to evaluate the carrying values of property, plant and equipment for impairment whenever circumstances indicate, in management's judgement, that the carrying value of such assets may not be recoverable. The recoverable amounts of the CGUs to which plant and machinery are allocated are determined by calculating the higher of the CGUs' fair value less costs to sell or value-in-use. This requires management to make subjective judgements concerning the cash flows, growth rates and discount rates of the CGUs. Refer to note 2 for further details.

#### *c) Expected credit loss allowance on trade and other receivables*

At each reporting date, the company and each of its subsidiaries evaluate the recoverability of trade and other receivables and record allowances for expected credit losses based on the Expected Credit Loss ("ECL") model. These allowances are measured through calculating the historical loss rates based on the payment profiles of sales over actual credit losses experienced. The historical rates are adjusted to reflect current and forward-looking information on macroeconomic factors such as tough trading conditions due to inflation and consumer behaviour affecting the ability of the customers to settle their debt.

The actual level of receivables collected may differ from the estimated levels of recovery, which could impact operating results positively or negatively.

Refer to note 8 where information is provided on historical loss rates calculated and the forward-looking rates it was adjusted with to determine the expected credit loss allowance on trade and other receivables.

#### *d) Estimated impairment of investments in subsidiaries*

The Group tests annually whether investments in subsidiaries have suffered any impairment, in accordance with the accounting policy stated in note 1.2. The recoverable amounts of these investments are determined based on value-in-use calculations applicable to the cash generating units which operate in these subsidiaries. These calculations require the use of estimates. Refer to note 3 and 5 for further details.

#### *e) Deferred tax asset*

Deferred tax assets include an amount of R97,1 million (2023: R121,8 million) which relates to tax losses carried forward. This is considered a significant estimate. Refer to note 6 for further details.

#### *f) Leases*

When the entity has the option to extend the lease, management uses its judgement to determine whether or not an option would be reasonably certain to be exercised. Management includes all facts or circumstances available to determine the lease term. These facts and circumstances include the location of warehouses and office spaces, the likelihood of changing locations of operations and whether the Group would be able to replace machinery and office equipment without significant cost or business interruption.

As at 31 March 2024, all lease extension options had been taken into account in the lease liability.

## Notes to the annual financial statements (continued)

for the year ended 31 March 2024

### 1.1 Critical accounting estimates and assumptions (continued)

#### *g) Impairment of inventories*

The recoverability of inventories is based upon a detailed line-by-line management review of the Group's inventory items at various stages of the financial year. Information considered in the impairment review include the age complement of the inventory on hand (i.e., when the first and last product was receipted into inventory) including the sales that have occurred during the past year. Other factors considered in the review would ordinarily include the likelihood of future publications of each title, the inter relationship between inventories, product development assets and author cost impairments.

#### *h) Impairment of intangible assets for product development and author costs*

Intangible assets not yet available for use are tested for impairment when an indication of impairment exists, and at least annually, irrespective of indicators. Author costs are recovered as and when the related royalties are earned by contractual set off against the royalties due to an author.

#### *i) Estimated impairment of intangible assets*

Intangible assets with an indefinite useful life relate to brands within the education segment. The Group tests annually whether indefinite useful life assets are impaired, in accordance with the accounting policy stated in note 1.5. The recoverable amounts of cash-generating units are determined as being the higher of the value-in-use or fair value less costs to sell. Calculation of these amounts requires the use of estimates. Further details are provided in note 4.

Intangible assets with a definite useful life are tested for impairment when there are indicators of impairment identified. The recoverable amounts of cash-generating units are determined as being the higher of the value-in-use or fair value less costs to sell. Calculation of these amounts requires the use of estimates. Further details are provided in note 4.

### 1.2 Basis of consolidation

#### **Subsidiaries**

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

The Group applies the acquisition method to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred to the former owners of the acquiree and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Acquisition-related costs are expensed as incurred. The identifiable assets and liabilities acquired, including contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. The Group recognises any non-controlling interest in the acquiree on an acquisition-by-acquisition basis, either at fair value or at the non-controlling interest's proportionate share of the recognised amounts of the acquiree's identifiable net assets.

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

The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the identifiable net assets acquired is recorded as goodwill. If the total of consideration transferred, non-controlling interest recognised and previously held interest measured is less than the fair value of the net assets of the subsidiary acquired in the case of a bargain purchase, the difference is recognised directly in the income statement.

Intercompany transactions, balances and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the transferred asset. When necessary, amounts reported by subsidiaries have been adjusted to conform with the Group's accounting policies.

# Notes to the annual financial statements (continued)

for the year ended 31 March 2024

## 1.2 Basis of consolidation (continued)

### Associates

Associates are all entities over which the group has significant influence but not control or joint control. This is generally the case where the Group holds between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method.

The investment in associate is initially recognised at cost and adjusted thereafter to recognise the Group's share of the post-acquisition profits or losses of the associate in profit or loss, and the Group's share of movements in other comprehensive income of the associate in other comprehensive income. Dividends received or receivable from associates are recognised as a reduction in the carrying amount of the investment.

Where the Group's share of losses in an equity-accounted investment equals or exceeds its interest in the entity, no further losses are recognised.

Unrealised gains on transactions between the Group and its investment in associates are eliminated to the extent of the Group's interest in these entities. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of investment in associates have been changed where necessary to ensure consistency with the policies adopted by the Group.

The carrying amount of investment in associates is tested for impairment annually. An impairment loss is recognised for the amount by which the investment's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an investment's fair value less costs of disposal and value-in-use.

### Investments in subsidiaries

The investments of Novus Holdings Limited in the ordinary shares of its subsidiaries are carried at cost less impairment losses in the separate financial statements.

Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated income statement, statement of comprehensive income, statement of changes in equity and statement of financial position.

### Common control transactions

Business combinations in which all of the combining entities or businesses are ultimately controlled by the same party or parties both before and after the business combination (and where that control is not transitory) are referred to as common control transactions. The accounting policy for the acquiring entity is to account for the transaction at book value (predecessor values) in its consolidated financial statements. The book value of the acquired entity is the consolidated book value as reflected in the consolidated financial statements at the highest level of common control. The excess of the cost of the transaction over the acquirer's proportionate share of the net asset value acquired is allocated to the "existing control business combination reserve" in equity. Where comparative periods are presented, the financial statements and financial information presented are not restated.

### Changes in ownership interests in subsidiaries without change of control

The Group treats transactions with non-controlling interests that do not result in loss of control as transactions with equity owners of the Group. A change in ownership interest results in an adjustment between the carrying amounts of the controlling and non-controlling interests to reflect their relative interests in the subsidiary. Any difference between the amount of the adjustment to non-controlling interests and any consideration paid or received is recognised within the "existing control business combination reserve" in equity.

### Disposal of subsidiaries

When the Group ceases to have control, any retained interest in the entity is remeasured to its fair value at the date when control is lost, with the change in carrying amount recognised in profit or loss. The fair value becomes the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss.

## Notes to the annual financial statements (continued)

for the year ended 31 March 2024

### 1.3 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the executive committee, which includes the CEO and CFO and other members of the executive management team that makes strategic decisions.

### 1.4 Property, plant and equipment

Property, plant and equipment are stated at cost, being the purchase cost plus any cost to prepare the assets for their intended use, less accumulated depreciation and any accumulated impairment losses. Cost includes transfers from equity of any gains/losses on qualifying cash flow hedges relating to foreign currency property, plant and equipment acquisitions. Property, plant and equipment, with the exception of land, are depreciated in equal annual amounts over each asset's estimated useful life to their residual values. Land is not depreciated as it is deemed to have an indefinite life.

Depreciation periods vary in accordance with the conditions in the relevant industries, but are subject to the following range of useful lives:

Item	Average useful life
Buildings	8 - 50 years
Plant and machinery	3 - 25 years
Furniture and fixtures	3 - 10 years
Motor vehicles	4 - 5 years
Office equipment	1 - 10 years
IT equipment	2 - 5 years

The Group applies the component approach whereby parts of some items of property, plant and equipment may require replacement at regular intervals. The carrying amount of an item of property, plant and equipment will include the cost of replacing the part of such an item when that cost is incurred, if it is probable that future economic benefits will flow to the Group and the cost can be reliably measured. The carrying amount of those parts that are replaced is derecognised on disposal or when it is withdrawn from use and no future economic benefits are expected from its disposal. Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item is depreciated separately.

Major leasehold improvements are amortised over the shorter of their respective lease periods and estimated useful economic lives.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance are charged to profit or loss during the financial period in which they are incurred. The cost of major renovations is included in the carrying amount of the asset when it is probable that future economic benefits will flow to the Group and the cost can be reliably measured. Major renovations are depreciated over the remaining useful economic life of the related asset.

Items of property, plant and equipment are reviewed for indicators of impairment at least annually. Where indicators of impairment are identified, the carrying values of property, plant and equipment are reviewed to assess whether or not the recoverable amount has declined below the carrying amount. In the event that the recoverable amount of the asset is lower than its carrying amount, the carrying amount is reduced and the reduction is charged to profit or loss.

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised within 'Other gains / (losses)' in profit or loss.

## Notes to the annual financial statements (continued)

for the year ended 31 March 2024

### 1.4 Property, plant and equipment (continued)

Work in progress is defined as assets still in the construction phase and not yet available for use. These assets are carried at initial cost and are not depreciated. Depreciation on these assets commences when they become available for use and depreciation periods are based on management's assessment of their useful lives.

### 1.5 Intangible assets

#### Goodwill

Goodwill is initially measured at cost, being an amount representing the excess of the consideration transferred, the amount of any non-controlling interests in the acquiree and the acquisition-date fair value of any previously held equity interest over the fair value of the identifiable assets acquired and liabilities assumed. If this consideration is lower than the fair value of the net assets of the acquiree (a bargain purchase), the difference is recognised in profit or loss.

Goodwill arising on acquisition of subsidiaries is included in "goodwill" in the statement of financial position. Goodwill is not amortised, but it is tested for impairment annually or more frequently if events or changes in circumstances indicate that it might be impaired, and is carried at cost less accumulated impairment losses. Impairment losses on goodwill are not reversed. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

Goodwill is allocated to cash-generating units for the purpose of impairment testing. The allocation is made to those cash-generating units or groups of cash-generating units that are expected to benefit from the business combination in which the goodwill arose. The units or groups of units are identified at the lowest level at which goodwill is monitored for internal management purposes. An impairment test is performed by assessing the recoverable amount of the cash-generating unit to which the goodwill relates. Where the recoverable amount of the cash-generating unit is less than the carrying amount, an impairment loss is recognised.

#### Acquired intangible assets

Separately acquired intangible assets include trademarks, licences, customer lists and relationships, trademarks and brands, publishing rights, content and technology and are shown at historical cost. Those intangible assets acquired in a business combination are recognised at fair value at the acquisition date. The definite useful life intangibles are carried at cost less accumulated amortisation. Amortisation is calculated using the straight-line method to allocate the cost of intangible assets over their estimated useful lives of two to twenty years. Brands are classified as indefinite useful life assets which are tested annually for impairment.

Acquired computer software licences are capitalised on the basis of the costs incurred to acquire and bring to use the specific software. These costs are amortised over their estimated useful lives of two to five years.

#### Computer software

Costs associated with maintaining computer software programmes are recognised as an expense as incurred. Development costs that are directly attributable to the design and testing of identifiable and unique software products controlled by the Group are recognised as intangible assets when the following criteria are met:

- it is technically feasible to complete the software product so that it will be available for use;
- management intends to complete the software product and use or sell it;
- there is an ability to use or sell the software product;
- it can be demonstrated how the software product will generate probable future economic benefits;
- there are adequate technical, financial and other resources to complete the development; and
- the expenditure attributable to the software product during its development can be reliably measured.

Directly attributable costs that are capitalised as part of the software product include the software development employee costs and an appropriate portion of relevant overheads.

Other development expenditures that do not meet these criteria are recognised as an expense as incurred. Development costs previously recognised as an expense are not recognised as an asset in a subsequent period.

Computer software is amortised on the straight-line method over its estimated useful life (three to ten years) when available for use.

## Notes to the annual financial statements (continued)

for the year ended 31 March 2024

### 1.5 Intangible assets (continued)

Work in progress is defined as intangible assets still in the development phase and not yet available for use. These assets are tested annually for impairment and carried at cost less accumulated impairment losses while still being developed. Amortisation on these assets commences when they become available for use and amortisation periods are based on management's assessment of their useful lives.

#### Copyrights

Expenditure on acquired copyrights is initially stated at historical cost. Copyrights have a finite useful life and are carried at cost less accumulated amortisation and impairment losses. Copyrights are amortised using the straight-line method to allocate the cost of copyrights over their estimated useful lives (maximum of twenty years). The carrying value is reviewed annually and written down to its recoverable amount if the carrying amount is greater than the recoverable amount.

#### Product development assets

Product development assets represent direct costs incurred in the development of educational programmes and titles prior to their publication. These costs are recognised as current intangible assets where the title will generate probable future economic benefits and costs can be measured reliably. These costs are eligible for capitalisation when incurred after the research phase when feasibility has been completed and prior to publication of the product/availability for use or sale. Product development assets relating to content are amortised upon publication of the title over estimated economic lives of three to five years, with a higher proportion of the amortisation taken in the earlier years for printed product. The rates of amortisation are 70%, 15% and 15% over three years for printed products and over five years for digital products.

This economic life represents the time between the acquisition of these asset for processing and their realisation in cash or cash equivalents. All though these assets are not expected to be realised within twelve months after the reporting period, the costs that are capitalised as assets are presented under current assets as this represents the normal operating cycle in which the asset will be realised.

The assessment of the useful economic life and the recoverability of product development assets involves judgement and is based on historical trends and management's estimation of future potential sales. Product development assets are assessed for impairment triggers on a regular basis or when triggering events occur. The carrying amount of product development assets is set out in note 4.

Product development assets are measured at cost less accumulated amortisation and accumulated impairment losses.

### 1.6 Financial assets

The Group classifies its financial assets in the following categories: financial assets at amortised cost, financial assets at fair value through profit and loss and financial assets at fair value through other comprehensive income. The classification depends on the business model within which the financial assets are managed; and the contractual cash flow characteristics of the asset (that is, whether the cash flows represent "solely payments of principal and interest"). Management determines the classification of its financial assets at initial recognition.

#### Financial assets at amortised cost

Financial assets at amortised cost includes loans and receivables and are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Financial assets at amortised cost are carried at amortised cost using the effective interest rate method. They are included in current assets, except for maturities greater than 12 months after the end of the reporting period. These are classified as non-current assets.

#### Financial assets at fair value through profit or loss

The Group classifies its listed investments (CFDs) under this category. Financial assets at fair value through profit or loss are measured at fair value, and any fair value changes in the carrying amount of the financial asset are recognised in profit or loss and accumulated under the heading of financial assets at profit or loss.

## Notes to the annual financial statements (continued)

for the year ended 31 March 2024

### 1.6 Financial assets (continued)

#### **Financial assets at fair value through other comprehensive income**

The Group elected to classify its non-listed debt investment under this category. Financial assets at fair value through other comprehensive income (FVOCI) are measured at fair value, and any fair value changes in the carrying amount of financial assets are recognised in other comprehensive income and accumulated under the heading of financial assets at FVOCI reserve. When these financial assets are sold or impaired, the accumulated fair value adjustments recognised in equity are included in the income statement as 'Other gains/(losses)'.

#### **Offsetting financial instruments**

Financial assets and liabilities are offset, and the net amount reported in the statement of financial position when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

#### **Impairment of financial assets**

The Group assesses at the end of each reporting period whether the credit risk on a financial asset has increased significantly since initial recognition. When making the assessment, the Group uses the change in the risk of a default occurring over the expected life of the financial asset. The Group recognises lifetime expected credit losses for all financial assets for which there have been significant increases in credit risk since initial recognition, whether assessed on an individual or collective basis, considering all reasonable and supportable information, including that which is forward-looking.

#### ***(a) Financial assets carried at amortised cost***

The Group assesses whether its financial assets at amortised cost are impaired based on the basis of expected credit losses ("ECL"). This analysis requires the identification of significant increases in the credit risk of the counterparty. Considering that the majority of the Group's financial assets are trade receivables, the analysis also integrates statistical data reflecting the past experience of losses incurred due to default. Refer to note 1.8 for impairments related to trade and other receivables where the simplified approach to measuring the ECL is used.

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of these assets.

The model and some of the assumptions used in calculating these ECLs are key sources of estimation uncertainty.

An allowance for expected credit losses of financial assets carried at amortised cost, except for trade and other receivables, is established using the general approach to measuring expected credit losses (ECLs) for financial assets carried at amortised cost.

Financial assets are written off when there is no reasonable expectation of recovery such as when attempts are unsuccessfully made to recover debt with the assistance of lawyers. When financial assets have been written off, the company continues to attempt to recover the amount due. Where recoveries are made, these are recognised in profit or loss.

#### **Derivative financial instruments and hedging activities**

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured to their fair value at the end of each reporting period. The accounting for subsequent changes in the fair value depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged. The Group designates derivatives as hedges of a particular risk associated with the cash flows of recognised assets and liabilities and highly probable forecast transactions (cash flow hedges). The Group applies IAS 39 in terms of hedge accounting.

The Group documents at the inception of the hedging transaction the relationship between hedging instruments and hedged items, as well as its risk management objectives and strategy for undertaking various hedging transactions.

The Group also documents its assessment, both at hedge inception and on an ongoing basis, of whether the derivatives that are used in hedging transactions have been and will continue to be highly effective in offsetting changes in fair values or cash flows of hedged items.

## Notes to the annual financial statements (continued)

for the year ended 31 March 2024

### 1.6 Financial assets (continued)

The fair values of various derivative instruments used for hedging purposes are disclosed in the income statement. The full fair value of a hedging derivative is classified as a non-current asset or liability when the remaining maturity of the hedged item is more than 12 months, and as a current asset or liability when the remaining maturity of the hedged item is less than 12 months. Trading derivatives are classified as a current asset or liability.

#### *Cash flow hedge*

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognised in other comprehensive income and accumulated in reserves in equity. The gain or loss relating to the ineffective portion is recognised immediately in the income statement within 'Other gains / (losses)'.

Amounts accumulated in equity are reclassified to profit or loss in the periods when the hedged item affects profit or loss (for example, when the forecast sale that is hedged takes place). The gain or loss relating to the effective portion of interest rate swaps hedging variable rate borrowings is recognised in the income statement within 'finance income/cost'. However, when the forecast transaction that is hedged results in the recognition of a non-financial asset (for example, inventory or fixed assets), the gains and losses previously deferred in equity are transferred from equity and included in the initial measurement of the cost of the asset. The deferred amounts are ultimately recognised in cost of goods sold in the case of inventory or in depreciation in the case of fixed assets.

When a hedging instrument expires or is sold, or when a hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss existing in equity at that time remains in equity and is recognised when the forecast transaction is ultimately recognised in the income statement. When a forecast transaction is no longer expected to occur, the cumulative gain or loss that was reported in equity is immediately reclassified to the income statement within finance costs.

### 1.7 Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined using the first-in, first-out (FIFO) method.

The cost of finished goods and work in progress comprises raw materials, direct labour, other direct costs and related production overheads (based on normal operating capacity) within the Print and Packaging segments. It excludes borrowing costs. Within the Education segment, the cost of finished goods comprises only the purchase price of the product, including non-refundable purchase taxes and import duties, net of rebates or other discounts; costs that are directly attributable to the purchase of inventories, including initial delivery and handling costs; and other costs that are incurred in bringing the inventory to their present location and condition.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale. Costs of inventories include the transfer from equity of any gains/losses on qualifying cash flow hedges for purchases of raw materials. Provisions are made for obsolete, unusable and unsaleable inventory and for latent damage first revealed when inventory items are taken into use or offered for sale.

### 1.8 Trade and other receivables

Trade receivables are amounts due from customers for merchandise sold or services performed in the ordinary course of business. If collection is expected in one year or less (or in the normal operating cycle of the business if longer), they are classified as current assets. If not, they are presented as non-current assets.

Trade receivables are recognised initially at the amount of consideration that is unconditional unless they contain significant financing components, when they are recognised at fair value. The Group holds the trade receivable with the objective to collect the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method.

Due to the short-term nature of the current receivables, they are all classified as current.

## Notes to the annual financial statements (continued)

for the year ended 31 March 2024

### 1.8 Trade and other receivables (continued)

An allowance for expected credit losses of trade receivables is established using the simplified approach to measuring expected credit losses (ECL's) for trade receivables at an amount equal to the lifetime ECLs. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition. To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and days past due. The expected credit losses on these financial assets are estimated using a provision matrix based on the group's historical credit loss experience. The historical credit loss rates are based on the payment profiles of sales over a period of 12 months during the previous reporting period and the corresponding actual credit losses experienced during the current 12 month reporting period. The historical rates are adjusted to reflect current and forward-looking information on macroeconomic factors such as tough trading conditions due to inflation and consumer behaviour affecting the ability of the customers to settle their debt.

The Group considers a trade receivable to be credit impaired when one or more detrimental events have occurred such as:

- Significant financial difficulty of the customer; or
- The customer is over terms after it is highly probable the customer will not be able to pay all amounts owing according to original terms of payment or numerous defaults on revised repayment plans put in place.

Information about the Group's exposure to foreign currency risk and interest rate risk can be found in note 32.

### 1.9 Cash and cash equivalents

In the consolidated statement of cash flows, cash includes cash on hand, and deposits held at call with banks. Cash equivalents includes other short-term highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. Bank overdrafts are shown separately within current liabilities on the statement of financial position.

### 1.10 Non-current assets held for sale

Non-current assets (or disposal groups) are classified as assets held for sale when their carrying amount is to be recovered principally through a sale transaction and a sale is considered highly probable. They are stated at the lower of carrying amount and fair value less costs to sell.

An impairment loss is recognised for any initial or subsequent write-down of the asset (or disposal group) to fair value less costs to sell. A gain is recognised for any subsequent increases in fair value less costs to sell of an asset (or disposal group), but not in excess of any cumulative impairment loss previously recognised. A gain or loss not previously recognised by the date of the sale of the non-current asset (or disposal group) is recognised at the date of derecognition.

Non-current assets (including those that are part of a disposal group) are not depreciated or amortised while they are classified as held for sale. Interest and other expenses attributable to the liabilities of a disposal group classified as held for sale continue to be recognised.

Non-current assets classified as held for sale and the assets of a disposal group classified as held for sale are presented separately from the other assets in the balance sheet. The liabilities of a disposal group classified as held for sale are presented separately from other liabilities in the statement of financial position.

### 1.11 Share capital

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new ordinary shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Where any Group company purchases the company's equity share capital (treasury shares), the consideration paid, including any directly attributable incremental costs (net of income taxes) is deducted from equity attributable to the company's equity holders until the shares are cancelled or reissued. Where such ordinary shares are subsequently reissued, any consideration received, net of any directly attributable incremental transaction costs and the related income tax effects, is included in equity attributable to the company's equity holders.

## Notes to the annual financial statements (continued)

for the year ended 31 March 2024

### 1.12 Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

Borrowings are removed from the statement of financial position when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss as other income or finance costs.

### 1.13 Employee benefits

#### *Retirement benefits*

The Group provides retirement benefits for its full-time employees, primarily by means of monthly contributions to a number of defined contribution pension and provident funds in the countries in which the Group operates. The assets of these funds are generally held in separate trustee-administered funds. The Group's contributions to retirement funds are recognised as an expense in the period in which employees render the related service.

#### *Medical aid benefit*

The Group's contributions to medical aid benefit funds for employees are recognised as an expense in the period during which the employees render services to the Group.

#### *Post-employment medical aid benefit*

Some Group companies provide post-employment healthcare benefits to their retirees. The entitlement to post-employment healthcare benefits is subject to the employee remaining in service up to retirement age and completing a minimum service period. The expected costs of these benefits are accrued over the minimum service period. Independent qualified actuaries carry out annual valuations of these obligations. All actuarial re-measurements resulting from experience adjustments and changes in actuarial assumptions are recognised immediately in other comprehensive income. The actuarial valuation method used to value the obligations is the projected unit credit method. Future benefits are projected using specific actuarial assumptions and the liability to in-service members is accrued over their expected working lifetime. These obligations are unfunded.

#### *Retirement gratuity benefits*

The Group provides retirement gratuity benefits to qualifying employees. The obligation to settle benefits relating to the retirement gratuity provision is limited to a group of employees who still remain entitled to these benefits. The entitlement to retirement gratuity benefits is subject to the employee remaining in service up to retirement age and completing a minimum service period. The remeasurements relating to the retirement gratuity provision is recognised in other comprehensive income.

#### *Long-service benefits*

The Group provides long service benefits to qualifying employees. The Group has an obligation to pay the benefits relating to the long service bonus for current employees. A long service bonus is paid to qualifying employees at various intervals of uninterrupted service. The accrued liability is determined on the basis that each employee's long service benefit accrues uniformly over the period to which the benefit becomes payable. The remeasurements relating to the long service bonus provision are recognised in profit or loss.

## Notes to the annual financial statements (continued)

for the year ended 31 March 2024

### 1.14 Share-based payments

The Group grants share options, share appreciation rights (SARs) and restricted shares (RSPs) to its employees under a number of equity compensation plans. The Group has recognised a share-based payment expense in the income statement, representing the fair value of share options/SARs/RSPs granted to the Group's employees. A corresponding credit to equity has been raised for equity-settled plans. The fair value of the options/SARs/RSPs at the date of grant under equity-settled plans is charged to income over the relevant vesting periods, adjusted to reflect actual and expected levels of vesting. For cash-settled plans, the Group remeasures the fair value of the recognised liability at each reporting date and at the date of settlement, with any changes in fair value recognised in profit or loss for the period.

### 1.15 Current and deferred income tax

The tax expense for the period comprises current and deferred tax. Tax is recognised in the income statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the statement of financial position date in the countries where the company and its subsidiaries operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is recognised on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill; deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realised, or the deferred income tax liability is settled.

Deferred income tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Deferred income tax liabilities are provided on taxable temporary differences arising from investments in subsidiaries, and associates, except for deferred income tax liability where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future. Generally, the Group is unable to control the reversal of the temporary difference for associates, only where there is an agreement in place that gives the Group the ability to control the reversal of the temporary difference not recognised.

Deferred income tax assets are recognised on deductible temporary differences arising from investments in subsidiaries, associates and joint arrangements only to the extent that it is probable the temporary difference will reverse in the future and there is sufficient taxable profit available against which the temporary difference can be utilised.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

The normal South African company tax rate used for the year ending 31 March 2024 is 27% (2023: 27%). Deferred tax assets and liabilities have been calculated using the 27% (2023: 27%) rate, being the rate that the Group expects to apply to the periods when the assets are realised or the liabilities are settled.

Capital gains tax is calculated as 80% (2023: 80%) of the company tax rate. Local income tax as per note 24 refers to taxation applicable to the country in which the subsidiaries operate.

## Notes to the annual financial statements (continued)

for the year ended 31 March 2024

### 1.16 Dividends withholding tax (DWT)

Shareholders are subject to DWT on dividends received, unless they are exempt in terms of the amended tax law. DWT is levied at 20% (2023: 20%) of the dividend received. The DWT is categorised as a withholding tax as the tax is withheld and paid to tax authorities by the company paying the dividend or by a regulated intermediary and not the beneficial owner of the dividend.

### 1.17 Provisions

Provisions are measured at the present value of the cash resources expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as interest expense.

### 1.18 Trade and other payables

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities.

Trade payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

### 1.19 Revenue

#### Revenue from contracts with customers

##### *Printing revenue*

Printing revenue is recognised upon client acceptance of product specifications and completion of printing to client specifications (point in time).

##### *Packaging revenue*

Packaging revenue is recognised based on contractual arrangements with customers, either upon client acceptance of product specifications and completion of the product to client specifications (point in time) or upon delivery of the related product and customer acceptance (point in time).

##### *Educational revenue*

Educational revenue consists of:

Revenue that is derived from selling a range of products to its customers ostensibly in the South Africa market. Sales are recognised when control of products has transferred, being when the products are delivered to the customer, the customer has full discretion over the channel and price to sell the products, and there is no unfulfilled obligation that could affect the customer's acceptance of the products (point in time). Delivery occurs when the products have been shipped to the specific location, the risks of obsolescence and loss have been transferred to the customers, and either the customer has accepted the products in accordance with the sales contract, the acceptance provisions have lapsed, or the Group has objective evidence that all criteria for acceptance have been satisfied. These revenues are derived mainly from provincial education departments in South Africa, schools and bookshops. Revenue is also derived from higher learning institutions in South Africa. A small element of product is exported to markets outside of South Africa where the product is aligned with that territory's curriculum.

Revenue from these sales that is recognised based on the price specified in the contract. No element of financing is deemed present as the sales are made with a credit term of 60 days and in some instances 90 days, which is consistent with market practice.

Revenue from digital products sold that is recognised over the period relating to the right to access the digital content (i.e. the period of the licence). These are normally sold with 12 months' access and usage is available during the financial period. Accordingly, the full revenue is recognised within the financial year, which coincides with the academic year (point in time). Revenue is measured as the amount of consideration which the Group most likely expects to receive, based on the price list applicable to a given performance obligation, net of returns and allowances and trade discounts. Payment is due once delivery is made within terms of invoice.

## Notes to the annual financial statements (continued)

for the year ended 31 March 2024

### 1.19 Revenue (continued)

#### *Distribution revenue*

Revenues from distribution services are recognised upon delivery of the product to the customer and acceptance thereof. Where print and distribution services are provided to the same client, the terms of each separate contract are consistent with contracts where an unrelated party provides one of the services. Revenue is recognised separately for print and distribution services as the contracts are separately negotiated.

Waste revenue and Other revenue (mainly consisting out of publishing revenue) is recognised at a point in time upon delivery of the related product and customer acceptance.

#### **Revenue other than from contracts with customers**

Other revenue mainly consists of rent received.

Other revenue for the Company, comprises dividends received from subsidiaries and is recognised when the right to receive payment is established.

Revenue is measured as the amount of consideration which the Group most likely expects to receive, based on the price list applicable to a given performance obligation, net of returns and allowances, trade discounts and volume rebates. Payment is due once delivery is made within terms of invoice. The Group has no significant payment terms in place with its customers.

A contract asset is raised for products printed but not yet invoiced/delivered, where the performance obligations have been met. This is recognised as a separate line item in the statement of financial position.

### 1.20 Other income

Interest received on financial assets are included in "Finance income". Interest is accrued using the effective interest method.

### 1.21 Dividend distribution

Dividend distribution to the company's shareholders is recognised as a liability in the Group's financial statements in the period in which the dividends are approved by the Board of directors.

### 1.22 Leases

The Group leases various offices, factory premises and equipment. Certain lease contracts in place have renewal options included. Renewal options are only included in the lease term if the lease is reasonably certain to be extended.

For any new contracts entered into, the Group considers whether the contract contains a lease and applies IFRS 16: Leases as set out below.

#### **Measurement and recognition of leases as a lessee**

At lease commencement date, the Group recognises a right-of-use asset and a lease liability on the statement of financial position. The lease liability is measured as the present value of lease payments over the lease term, discounted at the Group's incremental borrowing rate. To determine the incremental borrowing rate, the Group, where possible, uses recent third-party financing received by the Group as a starting point, adjusted to reflect changes in financing conditions since third party financing was received. The right-of-use asset is recognised at the amount of the initial measurement of the lease liability and any initial direct costs.

#### *Right-of-use assets*

The Group depreciates the right-of-use assets on a straight-line basis from the lease commencement date to the end of the earlier of the useful life or the end of the lease term. The Group also assesses the right-of-use asset for impairment when such indicators exist.

On the statement of financial position, the right-of-use assets have been included in Property, Plant and Equipment.

## Notes to the annual financial statements (continued)

for the year ended 31 March 2024

### 1.22 Leases (continued)

#### *Lease Liabilities*

Subsequent to initial measurement of the lease liability, the liability will be reduced for payments made and increased for finance costs. It is re-measured to reflect any reassessment or modification. When the lease liability is re-measured, the corresponding gain or loss is reflected in profit or loss.

On the statement of financial position, lease liabilities have been included in 'Borrowings and lease liabilities' and 'Current portion of borrowings and lease liabilities'.

The Group has elected to apply the exemptions applicable to short term leases and to assets of low value. Payments associated with short-term leases and leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less.

Deferred tax is recognised on temporary differences arising from the lease liability and right-of-use assets.

#### **Measurement and recognition of leases as a lessor**

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership of an underlying asset. A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership of an underlying asset.

The Group leases a building to an associate of the Group. The lease is classified as an operating lease.

Lease payments from operating leases are recognised as income on a straight-line basis. Costs, including depreciation, incurred in earning the lease income is recognised as an expense.

### 1.23 Foreign currency translation

#### *a) Functional and presentation currency*

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The consolidated financial statements are presented in South African Rands (ZAR) which is the Group's presentation currency.

#### *b) Transactions and balances*

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are remeasured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss, except when deferred in other comprehensive income as qualifying cash flow hedges.

### 1.24 Government grants

Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the Group will comply with all attached conditions. Government grants relating to costs are deferred and recognised in the income statement over the period necessary to match them with the costs that they are intended to compensate.

Government grants relating to property, plant and equipment are included in non-current liabilities as deferred income (note 18) and are credited to the income statement on a straight-line basis over the expected lives of the related assets.

### 1.25 Investment property

Investment property which includes a building, is held for long-term rental yields and is not occupied by the Group. Investment property is measured by applying the cost model and depreciated in equal annual instalments over the useful life of the building which is determined to be fifty years. Investment property is measured at cost less accumulated depreciation and less accumulated impairment.

### 1.26 Treasury shares

Consideration paid for the purchase of treasury shares is recognised directly in equity. The cost of treasury shares held is presented as a separate reserve.

## Notes to the annual financial statements (continued)

for the year ended 31 March 2024

### 2. PROPERTY, PLANT AND EQUIPMENT

	Notes	Land and buildings Owned R'000	Land and buildings Right-of-use asset R'000	Plant and machinery Owned R'000	Plant and machinery Right-of-use asset R'000	Vehicles computers and office equipment Owned R'000	Work in progress R'000	Total R'000
Cost		539 584	48 822	2 726 600	2 926	172 233	1 530	3 491 695
Accumulated depreciation and impairment		(209 404)	(28 781)	(2 296 707)	(1 350)	(161 871)	—	(2 698 113)
<b>Net book value at 01 April 2022</b>		<b>330 180</b>	<b>20 041</b>	<b>429 893</b>	<b>1 576</b>	<b>10 362</b>	<b>1 530</b>	<b>793 582</b>
Additions - cash		2 395	—	11 813	—	7 533	27 163	48 904
Additions - other		—	1 219	—	—	—	—	1 219
Acquisition of subsidiary		5 260	139	—	—	4 896	—	10 295
Disposals		—	—	(6 956)	—	(11)	—	(6 967)
Reclassifications		—	—	61	—	—	—	61
Depreciation	21	(13 699)	(4 263)	(45 770)	(576)	(7 157)	—	(71 465)
Transfers from work-in-progress		15 178	—	3 531	—	4 931	(23 640)	—
Impairment		—	—	(20 479)	—	—	—	(20 479)
Transferred to 'held for sale'	10	—	—	(157)	—	—	—	(157)
<b>Net book value at 31 March 2023</b>		<b>339 314</b>	<b>17 136</b>	<b>371 936</b>	<b>1 000</b>	<b>20 554</b>	<b>5 053</b>	<b>754 993</b>
Cost		<b>562 417</b>	<b>42 055</b>	<b>2 659 391</b>	<b>2 926</b>	<b>170 018</b>	<b>5 053</b>	<b>3 441 860</b>
Accumulated depreciation and impairment		<b>(223 103)</b>	<b>(24 919)</b>	<b>(2 287 455)</b>	<b>(1 926)</b>	<b>(149 464)</b>	<b>—</b>	<b>(2 686 867)</b>
Additions - cash		<b>1 162</b>	<b>—</b>	<b>40 430</b>	<b>—</b>	<b>7 821</b>	<b>58 725</b>	<b>108 138</b>
Acquisition of subsidiary	37	<b>—</b>	<b>—</b>	<b>6</b>	<b>—</b>	<b>76</b>	<b>—</b>	<b>82</b>
Disposals		<b>—</b>	<b>—</b>	<b>(2 551)</b>	<b>—</b>	<b>(12)</b>	<b>—</b>	<b>(2 563)</b>
Transfers from work-in-progress		<b>—</b>	<b>—</b>	<b>6 221</b>	<b>—</b>	<b>155</b>	<b>(6 423)</b>	<b>(47)</b>
Depreciation	21	<b>(15 980)</b>	<b>(4 604)</b>	<b>(42 283)</b>	<b>(576)</b>	<b>(9 034)</b>	<b>—</b>	<b>(72 477)</b>
Impairment		<b>(2 830)</b>	<b>—</b>	<b>(21 725)</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>(24 555)</b>
<b>Net book value at 31 March 2024</b>		<b>321 666</b>	<b>12 532</b>	<b>352 034</b>	<b>424</b>	<b>19 560</b>	<b>57 355</b>	<b>763 571</b>
Cost		<b>558 971</b>	<b>51 721</b>	<b>2 589 248</b>	<b>2 926</b>	<b>189 862</b>	<b>57 355</b>	<b>3 450 083</b>
Accumulated depreciation and impairment		<b>(237 305)</b>	<b>(39 188)</b>	<b>(2 237 215)</b>	<b>(2 502)</b>	<b>(170 302)</b>	<b>—</b>	<b>(2 686 512)</b>

## Notes to the annual financial statements (continued)

for the year ended 31 March 2024

### 2. PROPERTY, PLANT AND EQUIPMENT (continued)

	2024 R'000	2023 R'000
Net book value of owned assets at 31 March	750 615	736 857
Net book value of right-of-use assets at 31 March	12 956	18 136
	<b>763 571</b>	<b>754 993</b>

#### Reclassifications

Reclassifications relate to items reclassified to/from other asset categories.

#### Impairments

The Group recognised an impairment of property, plant and equipment of R24,5 million (2023: R20,5 million). An impairment charge of R21,7 million was accounted for in the Print segment (2023: R16,9 million), R2,9 million relating to leasehold improvements within the Education segment (2023: Rnil) and Rnil within the Packaging segment (2023: R3,6 million). The impairment loss has been included in "Other gains/(losses)" in the income statement. The 20,5 million impairment charge in the prior year relates mainly to assets within the Print segment which were impaired by R16,9 million to their recoverable amounts of R69,2 million.

The recoverable amounts of Plant and machinery when assessing for impairment were determined with reference to the following valuation methodologies:

At 31 March 2024	Print R'000	Packaging R'000	Other R'000	Basis of determination of recoverable amount
<b>Net book value</b>				
Plant and machinery Owned	—	152 571	—	Value in use
Plant and machinery Owned	164 643	34 820	—	Fair value less costs to sell
<b>Total Plant and machinery Owned</b>	<b>164 643</b>	<b>187 391</b>	<b>—</b>	
At 31 March 2023	Print R'000	Packaging R'000	Other R'000	Basis of determination of recoverable amount
<b>Net book value</b>				
Plant and machinery Owned	—	135 904	—	Value in use
Plant and machinery Owned	203 061	32 874	97	Fair value less costs to sell
<b>Total Plant and machinery Owned</b>	<b>203 061</b>	<b>168 778</b>	<b>97</b>	

The material impairments in the current and prior year relate to the following:

#### Print

During the current year, management reviewed the future cash flows of the business taking into account the impact of estimated cost increases as well as the declining print industry and subsequently impaired assets by R21,7 million to their recoverable amount.

Where assets were impaired to their recoverable amount based on value-in-use, 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 on a consolidated level, with years 2 - 3 derived from budgeted information approved by management and extrapolated over the forecasted years. The growth rate of negative 8% for the Print segment, positive 3% for the Packaging segment and positive 4% for the MML segment (2023: negative 5% for Print segment and positive 3% Packaging segment) is a long-term average growth rate which was used to extrapolate the cash flows into the future. This rate was also compared to the average long term industry growth rates for reasonableness. The discount rate used of 19,7% (2023: 16,8%) is pre-tax and reflects the specific risks relating to the Group.

## Notes to the annual financial statements (continued)

for the year ended 31 March 2024

### 2. PROPERTY, PLANT AND EQUIPMENT (continued)

As a result of the material impairments taken since 2018, several assets are carried at fair value less costs to sell with no subsequent reversals of these impairments required as its value-in-use remains below its carrying amount. The cash flows are based on management's best estimate and therefore subject to judgement which includes elements of uncertainty. Should these assumptions change, an assessment would be made to consider any further impairment.

#### ITB

In the prior financial year, an impairment charge of R3,6 million (2024: Rnil) was recognised to fully impair machinery and equipment used to produce low-end retail carrier bags. During the prior year, the division took a decision to stop servicing this market and accordingly the machinery and equipment has become redundant. Refer to note 3 for goodwill impairment testing performed specifically on the ITB CGU within the Packaging segment where goodwill remains on the statement of financial position and the assumptions applied in the value-in-use calculations, the assumptions remained consistent when assessing PPE for impairment.

#### Education

The Education CGU was considered for impairment in the current year and no impairment was deemed necessary. Refer to note 4 which provides additional information on the impairment assessment performed on the intangible assets recognised at a Group level relating to the Education CGU.

The recoverable amounts of the impaired assets and cash generating units (including goodwill) were determined with reference to either the asset's fair value less costs to sell or value-in-use. Where assets were impaired to their recoverable amount based on fair value less cost to sell as and where inputs were available, the inputs used were market values of these assets obtained from manufacturers or agents of the same equipment or similar types of equipment. Where the market values were not obtainable, the recoverable amounts were estimated by management with the use of internal technical experts, approximation of values using recent sale transactions of print equipment and given that these are unobservable inputs, the fair value of these assets were classified as level 3 fair value estimates. Where there was no market considered for the specific asset and there is no value-in-use, this asset was impaired in full. Where fair value less costs to sell was used, if one or more of the inputs were changed to a reasonable possible alternative assumption, there would be no further significant impairments that would have to be recognised.

There were no other impairments or reversals of impairments relating to property, plant and equipment in the current year.

At 31 March 2024, the City Deep, Paarden Eiland and Montague Gardens buildings owned by Novus Print with a carrying value of R297,1 million have been pledged as security for working capital facilities. Refer to note 9.

### 3. GOODWILL

	2024 R'000	2023 R'000
<b>Cost</b>		
Opening balance	245 984	245 984
Acquisition of subsidiary	7 611	—
Closing balance	253 595	245 984
<b>Accumulated impairment</b>		
Opening balance	165 772	165 772
Impairment charge	—	—
Closing balance	165 772	165 772
<b>Net book value</b>	<b>87 823</b>	80 212

## Notes to the annual financial statements (continued)

for the year ended 31 March 2024

### 3. GOODWILL (continued)

#### Impairment testing of 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 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,

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
<b>Cash-generating unit</b>				
<b>At 31 March 2024</b>				
ITB	80 212	Value in use	19,7%	3%
Integrity Control Systems	7 611	Value in use	19,7%	3%
	<b>87 823</b>			
<b>At 31 March 2023</b>				
ITB	80 212	Value in use	16,8%	3%
	80 212			

Goodwill represents the above cash-generating units' ability to generate future cash flows, which is a direct result of various factors, including increased expected economic benefits from a larger customer base operating in growth sectors to supply packaging for the food and beverage industry.

The following assumptions were used for cash generating units with goodwill for years 1 - 5.

#### ITB

Average EBITDA growth rate of 7% (2023: 4%) across the years, resulting in an EBITDA ranging from R82 million to R111 million (2023: R65 million to R76 million) per year.

Average capital expenditure of R19,6 million (2023: R9,7 million) per year.

If one or more of the inputs were changed to a reasonable possible alternative assumption, there would be no further significant impairments that would have to be recognised. If the discount rate increased by 2%, or if the growth rate decreased by 2%, there would be no further impairment charge, with all other assumptions remaining constant. There is sufficient headroom in relation to the extent to which the recoverable amount exceeds the carrying value of the asset.

#### Integrity Controls System

During the current year, Goodwill relating to the acquisition of the Integrity Control Systems CGU was recognised. Refer to note 37 for more information.

An average EBITDA growth rate of 5% across the years, resulting in the EBITDA ranging from R6 million to R8 million per year. If one or more of the inputs were changed to a reasonable possible alternative assumption, there would be no further significant impairments that would have to be recognised. If the discount rate increased by 2%, or if the growth rate decreased by 2%, there would be no further impairment charge, with all other assumptions remaining constant. There is sufficient headroom in relation to the extent to which the recoverable amount exceeds the carrying value of the asset.

## Notes to the annual financial statements (continued)

for the year ended 31 March 2024

### 4. OTHER INTANGIBLE ASSETS

	Notes	Non-Current			Current	Total R'000
		Patents, trademarks and customer lists R'000	Brands R'000	Computer Software R'000	Product development cost R'000	
Cost		10 557	—	86 744	—	97 301
Accumulated amortisation and impairment		(8 675)	—	(85 831)	—	(94 506)
<b>Net book value at 01 April 2022</b>		1 882	—	913	—	2 795
Additions - cash**		—	—	—	5 434	5 434
Acquisition of subsidiary		386 067	93 447	—	56 976	536 490
Amortisation*	21	(43 130)	—	(658)	(7 812)	(51 600)
<b>Net book value at 31 March 2023</b>		344 819	93 447	255	54 598	493 119
Cost		403 326	93 447	82 088	62 410	641 271
Accumulated amortisation and impairment		(58 507)	—	(81 833)	(7 812)	(148 152)
Additions - cash**		—	—	—	14 623	14 623
Disposals		(369)	—	—	—	(369)
Amortisation*	21	(128 909)	—	(394)	(31 759)	(161 062)
<b>Net book value at 31 March 2024</b>		215 541	93 447	(139)	37 462	346 311
Cost		402 906	93 447	81 889	650 503	1 228 745
Accumulated amortisation and impairment		(187 365)	—	(82 028)	(613 041)	(882 434)

The average remaining useful life of computer software is three years. Customer relationships (R385,6 million) recognised as part of the acquisition transaction in the prior year was recognised at its fair value at the date of acquisition and is subsequently amortised on a straight-line basis over three years (remaining useful life of two years). Brands recognised (R93,4 million) as part of the acquisition in the prior year have an indefinite useful life.

Product development costs are internally generated. The carrying value of product development intangibles assets not yet available for use is R14,3 million (2023: R39,9 million).

#### **Significant estimate: Valuation of intangible assets acquired as part of a business combination**

During the prior year, the customer relationships and brands were recognised as part of the acquisition transaction of Maskew Miller Learning Proprietary Limited ("MML").

It was identified that MML has some strong customer relationships. The business benefits from long-term relationships with education departments and content owners/developers, to provide high-quality learning material to students.

MML is home to Maskew Miller Longman and Heinemann, two of the best-known names in South African publishing and leaders in the provision of print materials and Curriculum Assessment Policy Statement ('CAPS') approved textbooks.

Maskew Miller Longman and Heinemann are separable trade names/brands and generate their own cash flows and these trade names/brands will continue to be in existence as the Company will continue to publish books under these trade names/brands.

## Notes to the annual financial statements (continued)

for the year ended 31 March 2024

### 4. OTHER INTANGIBLE ASSETS (continued)

Key assumptions used in the valuation of the customer relationships and brands during the prior year were:

	2023
Weighted average cost of capital	23,91%
Revenue growth rates	2,5% – 4,2%
Royalty rate	3,00%
Cash flow forecast period	3 years
Customer attrition rate	10%
Customer relationship valuation method	Residual income approach
Brands valuation method	Relief from royalty method

#### *Impairment testing of acquired indefinite useful live assets*

The indefinite useful life assets are tested annually for impairment. These assets form part of the Education CGU. The recoverable amounts of the Education CGU have been determined based on a value-in-use calculation. The value-in-use is based on discounted cash flow calculations.

The Group based its cash flow calculations on three years budgeted information. A normalised average EBITDA growth rate of 4% was used to extrapolate the cash flows into the future. A discount rate of 19,7% was used, and no impairment was deemed necessary.

If one or more of the inputs were changed to a reasonable possible alternative assumption, there would be no further significant impairments that would have to be recognised. If the discount rate increased by 2%, or if the growth rate decreased by 2%, there would be no further impairment charge, with all other assumptions remaining constant. There is sufficient headroom in relation to the extent to which the recoverable amount exceeds the carrying value of the asset.

\* The amortisation recognised on the acquired intangible asset is disclosed within the Education segment and is included within operating expenses in the Statement of Profit or Loss.

\*\* The cash flow movement is included in working capital under inventory and product development assets R14,1 million (2023: R5,1 million)

## Notes to the annual financial statements (continued)

for the year ended 31 March 2024

### 5. INVESTMENTS IN SUBSIDIARIES

The following information relates to the Group's financial interest in its significant subsidiaries, over which the Group has control through its direct and indirect interests in respective intermediate holding companies and other entities.

All subsidiaries, except for Novus Holdings Share Trust which has a year end of 28 February, share the same financial year-end as Novus Holdings Limited and are incorporated in South Africa.

Name of company	Nature of business	Effective interest 2024	Effective interest 2023	Company Carrying Amount 2024 R'000	Company Carrying Amount 2023 R'000
<b>Unlisted</b>					
<b>Direct interests</b>		%	%		
Paarl Media Holdings Proprietary Limited	Investment holding company	100,0	100,0	1 043 782	1 043 782
Novus Print Proprietary Limited	Printing	1,0	1,0	13 836	13 836
Latiano 554 Proprietary Limited	Investment holding company	100,0	100,0	*	*
Novus Packaging Holdings Proprietary Limited	Investment holding company	100,0	100,0	*	*
Novus Holdings Share Trust	Investment holding entity	100,0	100,0	*	*
				<b>1 057 618</b>	<b>1 057 618</b>
<b>Indirect interests</b>					
Maskew Miller Learning Proprietary Limited	Educational publishing	94,0	94,0		
Novus Print Proprietary Limited	Printing	99,0	99,0		
Novus Packaging Proprietary Limited	Packaging, printing and tissue manufacturing	100,0	100,0		
Isithebe Contracting Services Proprietary Limited	Packaging	100,0	100,0		
Molakai Investments Proprietary Limited	Packaging	100,0	100,0		
Plaslope Proprietary Limited	Packaging	100,0	100,0		
Integrity Control Systems Proprietary Limited	Packaging	100,0	**		
Free 4 All Proprietary Limited	Educational publishing	100,0	***		
Maclearly Investments 456 Proprietary Limited	Dormant	100,0	100,0		
Intrepid Printers Proprietary Limited	Dormant	100,0	100,0		
Victory Ticket 376 Proprietary Limited t/a Digital Print Solutions	Dormant	100,0	100,0		

\* The carrying amounts of these investments are less than R1,000.

\*\* Refer to note 37 for acquisition of Integrity Control Systems Proprietary Limited

\*\*\* In the prior year a 49% interest was held in Free 4 All Proprietary Limited (Free 4 All), this interest was accounted for as an investment in associate. The 49% investment in Free 4 All was purchased for R2,7 million effective 15 December 2020. During the current financial year, effective 01 June 2023, Novus Print Proprietary Limited acquired an additional 51% interest in Free 4 All for a consideration of R1. Free 4 All is therefore a subsidiary of the Group and accounted for within the consolidated records. This transaction resulted in a gain on bargain purchase of R0,7 million.

Impairment is assessed with reference to value-in-use calculations, leveraging the assessment of the subsidiaries' underlying cash flows to determine the recoverable amount of the Group's investments.

## Notes to the annual financial statements (continued)

for the year ended 31 March 2024

### 5. INVESTMENTS IN SUBSIDIARIES (continued)

	2024 R'000	2023 R'000
<b>Opening balance</b>	<b>1 057 618</b>	1 060 105
Impairment	—	(16 323)
Additions	—	13 836
<b>Closing balance</b>	<b>1 057 618</b>	1 057 618
Cost	<b>1 310 957</b>	1 310 957
Accumulated impairment	<b>(253 339)</b>	(253 339)

During the prior year, Paarl Coldset Proprietary Limited distributed the net asset value of the business in preparation for deregistration of the entity. This resulted in the investment in Paarl Coldset Proprietary Limited being fully impaired by R16,3 million in the prior financial year. As a result of the distribution, as its only shareholder, Novus Holdings Limited obtained a 1% direct investment in Novus Print Proprietary Limited to the value of R13,8 million. This amount was recognised in note 19 as revenue during the prior year.

### 6. DEFERRED TAXATION

The deferred tax assets and liabilities and movement thereon are attributable to the following items:

2024	Opening balance R'000	Charged to income R'000	Acquisition of subsidiary R'000	Charged to other comprehen- sive income R'000	Charged to equity R'000	Closing balance R'000
<b>Deferred taxation assets</b>						
Property, plant and equipment	6 871	(6)	—	—	—	6 865
Receivables and other current assets	3 704	3 363	(133)	—	—	6 934
Provisions and other current liabilities	23 672	7 012	—	—	—	30 684
Income received in advance	1 013	51	—	—	—	1 064
Tax losses carried forward	121 807	(24 668)	—	—	—	97 139
Lease liabilities	8 133	(179)	—	—	—	7 954
Derivative assets	—	997	—	—	—	997
Other	17 932	(12 534)	601	(264)	—	5 735
	<b>183 132</b>	<b>(25 964)</b>	<b>468</b>	<b>(264)</b>	<b>—</b>	<b>157 372</b>
<b>Deferred taxation liabilities</b>						
Property, plant and equipment	(87 924)	15 272	—	—	—	(72 652)
Intangible assets	(120 170)	35 186	—	—	—	(84 984)
Receivables and other current assets	(294)	(1 876)	—	—	—	(2 170)
Provisions and other current liabilities	(561)	—	—	—	—	(561)
Hedging reserve	(3 936)	—	—	247	—	(3 689)
Derivative assets	(992)	—	—	—	—	(992)
	<b>(213 878)</b>	<b>48 582</b>	<b>—</b>	<b>247</b>	<b>—</b>	<b>(165 048)</b>
<b>Net deferred taxation</b>	<b>(30 747)</b>	<b>22 618</b>	<b>468</b>	<b>(17)</b>	<b>—</b>	<b>(7 677)</b>
Notes		24	37			

## Notes to the annual financial statements (continued)

for the year ended 31 March 2024

### 6. DEFERRED TAXATION (continued)

	Opening balance R'000	Charged to income R'000	Acquisition of subsidiary R'000	Charged to other comprehen- sive income R'000	Charged to equity R'000	Closing balance R'000
<b>2023</b>						
<b>Deferred taxation assets</b>						
Property, plant and equipment	41 279	(34 154)	(254)	—	—	6 871
Receivables and other current assets	281	(3 501)	6 923	—	—	3 704
Provisions and other current liabilities	(1 152)	6 427	18 397	—	—	23 672
Income received in advance	200	813	—	—	—	1 013
Tax losses carried forward	118 495	3 312	—	—	—	121 807
Lease liabilities	6 971	1 162	—	—	—	8 133
Derivative assets	5 220	(5 220)	—	—	—	—
Other	2 317	16 948	(1 362)	30	—	17 933
	173 611	(14 214)	23 704	30	—	183 132
<b>Deferred taxation liabilities</b>						
Property, plant and equipment	(100 527)	12 603	—	—	—	(87 924)
Intangible assets	(1 306)	11 529	(130 393)	—	—	(120 170)
Receivables and other current assets	(1 282)	1 025	(37)	—	—	(294)
Provisions and other current liabilities	(561)	—	—	—	—	(561)
Hedging reserve	(981)	—	—	(2 955)	—	(3 936)
Derivative assets	—	(992)	—	—	—	(992)
Share based compensation	(152)	152	—	—	—	—
	(104 809)	24 317	(130 430)	(2 955)	—	(213 878)
<b>Net deferred taxation</b>	68 802	10 103	(106 726)	(2 925)	—	(30 747)
Note		24				

A summary of the Group's recognised tax losses which does not expire carried forward at 31 March 2024 and the expected dates of utilisation are set out below. The tax losses are within the South African tax jurisdiction.

	Group 2024 R'000	Group 2023 R'000
<b>Expected to be utilised within one to five years:</b>		
Novus Packaging Proprietary Limited	346 104	395 245
Novus Print Proprietary Limited	13 670	55 892
	359 774	451 137

The ultimate outcome of additional taxation assessments may vary from the amounts accrued. However, management believes that any additional taxation liability over and above the amount accrued would not have a material adverse impact on the Group's income statement and statement of financial position.

## Notes to the annual financial statements (continued)

for the year ended 31 March 2024

### 6. DEFERRED TAXATION (continued)

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 No 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. The Novus Packaging Proprietary Limited subsidiary 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 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. The Novus Packaging Proprietary Limited subsidiary 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 5 years based on current projections and forecasts.

Deferred tax assets and liabilities are offset when the income tax relates to the same legal entity. The following amounts are shown in the consolidated statement of financial position:

	Group 2024 R'000	Group 2023 R'000
Deferred tax asset	76 981	90 427
Deferred tax liabilities	(84 658)	(121 174)
	(7 677)	(30 747)

### 7. INVENTORY

	Group 2024 R'000	Group 2023 R'000	Company 2024 R'000	Company 2023 R'000
Raw materials	341 383	672 454	—	—
Finished products, trading inventory and consumables	125 241	120 881	—	—
Work-in-progress	26 263	18 792	—	—
Gross inventory	492 887	812 127	—	—
Less: Provision for slow-moving and obsolete inventories	(17 920)	(9 681)	—	—
Net inventory	474 967	802 446	—	—

The decrease in raw materials since the prior year from R672,5 million to R341,4 million in the current year, is due to the Print segment's improved working capital management after being negatively impacted by excessive paper price increases during the prior years as well as making strategic purchases to mitigate global raw material shortages and availability.

The total provision charged to the income statement to write inventory down to net realisable value amounted to R11,7 million (2023: R4,6 million), and reversals of these provisions amounted to R0,6 million (2023: R1,0 million). Provisions utilised amounted to R2,8 million (2023: R1,5 million).

The cost of inventories recognised as an expense and included in 'costs of goods sold' amounted to R1,9 billion (2023: R1,8 billion).

## Notes to the annual financial statements (continued)

for the year ended 31 March 2024

### 8. TRADE AND OTHER RECEIVABLES

	Notes	Group 2024 R'000	Group 2023 R'000	Company 2024 R'000	Company 2023 R'000
Trade accounts receivable, gross		505 980	529 092	—	—
Less: Contract assets	8.1	(6 748)	(9 389)	—	—
Less: Expected credit loss allowance (ECL)		(33 066)	(29 264)	—	—
		466 166	490 439	—	—
Prepayments		19 032	12 564	—	—
VAT receivable		20 777	9 780	—	—
Sundry deposits		15 361	13 062	—	—
Other receivables		17 374	22 017	—	—
		538 710	547 862	—	—

The Group's maximum exposure to credit risk at the reporting date is the carrying value of the receivables mentioned above. The Group also has credit guarantees in place limited to 80% of the R52,5 million (2023: R52,2 million) insured debtors' book within the Packaging segment trade receivables.

The Group has not pledged any of its trade receivables as security against its lease liabilities or other liabilities.

The top 5 customers amounting to R158,6 million (2023: R107,3 million) comprises 30% (2023: 20%) of the outstanding balance of trade receivables and operates within the consumer retail, food & beverage, publishing and educational industries.

The Group applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables. As at 31 March 2024, to measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due. Although the industry has stabilised in comparison to the prior year, the permanent COVID-19 impact has been factored into expected credit losses and includes negative business confidence and business/customers still under pressure financially.

Management has considered as part of their assessment the low, medium and high scenarios, the probability of these likely outcomes in concluding on the impact of loss on the trade receivable book. A historic default rate is calculated by applying specific write offs in the current year to prior year sales payment buckets per industry. A macro factor historical loss rate is applied to the historic default rate. Based on the industry the customer operates in, an additional credit risk premium was taken into account which varies based on external published customer ratings, industry growth or contraction and regulatory environment in which the customer operates. For those industries where there is no historic default rate applicable, a percentage adjustment based on credit risk is further applied in determining the forward looking adjusted default rate.

The Group identifies specific credit loss allowances if these receivables are over terms (on average 30 - 60 days) after it is highly probable the customer will not be able to pay all amounts owing according to original terms of payment or numerous defaults on revised repayment plans put in place. The expected credit loss for the current year amounts to R33,1 million (2023: R29,3 million). Specific write-offs were recognised directly against trade receivables by the Group during the current year amounting to R4,1 million (2023: R2,5 million).

The movement in the expected credit loss allowance of trade receivables during the year was as follows:

	Group 2024 R'000	Group 2023 R'000	Company 2024 R'000	Company 2023 R'000
<b>Expected credit loss allowance of trade receivables</b>				
Opening balance	29 264	20 447	—	—
Expected credit loss allowance	15 979	16 142	—	—
Unused amounts reversed	(8 287)	(4 807)	—	—
Allowance utilised	(3 890)	(2 518)	—	—
Closing balance	33 066	29 264	—	—

## Notes to the annual financial statements (continued)

for the year ended 31 March 2024

### 8. TRADE AND OTHER RECEIVABLES (continued)

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

	Group 2024 R'000	Group 2023 R'000	Company 2024 R'000	Company 2023 R'000
Current	6 182	8 238	—	—
30 days and older	1 724	3 763	—	—
60 days and older	558	3 212	—	—
90 days and older	1 275	2 411	—	—
120 days and older	23 327	11 640	—	—
	<b>33 066</b>	29 264	—	—

As at 31 March 2024, the ageing of trade receivables classes are as follows:

	Group 2024 R'000	Group 2024 R'000	Group 2023 R'000	Group 2023 R'000	Company 2024 R'000	Company 2023 R'000
	Gross carrying amount	% ECL <sup>^</sup>	Gross carrying amount	% ECL <sup>^</sup>	Gross carrying amount	Gross carrying amount
Current	324 211	1,9%	293 615	2,8%	—	—
<b>Past due:</b>						
30 days and older	65 059	2,6%	53 253	7,1%	—	—
60 days and older	14 528	3,8%	17 881	18,0%	—	—
90 days and older	10 403	12,3%	24 943	9,7%	—	—
120 days and older	85 031	27,4%	130 011	9,0%	—	—
	<b>499 232</b>	<b>6,6%</b>	519 703	5,6%	—	—

<sup>^</sup> ECL per age class raised as a % of gross debtors per age class

As at 31 March 2024, the credit risk of trade receivables can be assessed by reference to their customer type and industry in which they operate and are categorised and ranked by concentration of risk as follows:

	Group 2024 R'000	Group 2024 R'000	Group 2023 R'000	Group 2023 R'000	Company 2024 R'000	Company 2023 R'000
	% ECL*		% ECL*			
Listed South African companies	216 502	6,5%	205 196	8,1%	—	—
Government/parastatals	75 710	17,9%	118 971	1,4%	—	—
South African corporates	186 914	2,9%	181 431	5,9%	—	—
Corporates in the rest of Africa	20 106	0,4%	13 680	1,1%	—	—
Corporates in the rest of the world	—	0,0%	425	0,0%	—	—
	<b>499 232</b>		519 703		—	—

\* ECL raised as a % of debtors book

## Notes to the annual financial statements (continued)

for the year ended 31 March 2024

### 8. TRADE AND OTHER RECEIVABLES (continued)

	Group 2024 R'000								
	Magazines	Retail	Books	Newspapers	Directories	Packaging	Education	Other	Total
Listed South African companies	6 601	83 964	10 963	49 123	—	60 898	1 055	3 898	216 502
Government / parastatals	—	—	—	—	—	—	75 710	—	75 710
South African corporates	16 746	38 904	18 682	4 191	—	17 345	84 403	6 642	186 913
Corporates in the rest of Africa	2 515	209	6 477	835	—	10 071	—	—	20 107
Corporates in the rest of the world	—	—	—	—	—	—	—	—	—
	<b>25 862</b>	<b>123 077</b>	<b>36 122</b>	<b>54 149</b>	<b>—</b>	<b>88 314</b>	<b>161 168</b>	<b>10 540</b>	<b>499 232</b>

	Group 2023 R'000								
	Magazines	Retail	Books	Newspapers	Directories	Packaging	Education	Other	Total
Listed South African companies	5 863	78 439	3 611	37 489	14 359	61 881	1 066	2 489	205 197
Government / parastatals	23	—	—	—	—	73	118 874	—	118 970
South African corporates	23 774	27 345	24 809	2 840	—	14 045	83 149	5 469	181 431
Corporates in the rest of Africa	2 191	256	6 687	442	—	4 104	—	—	13 680
Corporates in the rest of the world	—	—	—	—	—	—	—	425	425
	<b>31 851</b>	<b>106 040</b>	<b>35 107</b>	<b>40 771</b>	<b>14 359</b>	<b>80 103</b>	<b>203 089</b>	<b>8 383</b>	<b>519 703</b>

## Notes to the annual financial statements (continued)

for the year ended 31 March 2024

### 8. TRADE AND OTHER RECEIVABLES (continued)

As at 31 March 2024, the expected credit loss allowance of trade receivables was assessed and recognised by reference to their customer type and industry in which they operate as follows:

	Group 2024 R'000								
	Magazines	Retail	Books	Newspapers	Directories	Packaging	Education	Other	Total
Listed South African companies	3 704	1 203	—	7 358	—	333	—	1 426	14 024
Government / parastatals	—	—	—	—	—	—	13 551	—	13 551
South African corporates	1 228	660	1 064	1 352	—	1 035	—	64	5 403
Corporates in the rest of Africa	—	—	—	88	—	—	—	—	88
	<b>4 932</b>	<b>1 863</b>	<b>1 064</b>	<b>8 798</b>	<b>—</b>	<b>1 368</b>	<b>13 551</b>	<b>1 490</b>	<b>33 066</b>

	Group 2023 R'000								
	Magazines	Retail	Books	Newspapers	Directories	Packaging	Education	Other	Total
Listed South African companies	4 093	1 422	18	9 645	—	259	—	1 253	16 690
Government / parastatals	—	—	—	—	—	—	1 710	—	1 710
South African corporates	2 398	1 840	5 244	304	—	921	—	—	10 707
Corporates in the rest of Africa	—	—	38	119	—	—	—	—	157
	<b>6 491</b>	<b>3 262</b>	<b>5 300</b>	<b>10 068</b>	<b>—</b>	<b>1 180</b>	<b>1 710</b>	<b>1 253</b>	<b>29 264</b>

Through conducting the IFRS 9 assessments, a historical credit loss rate of between 0,01% and 10,00% (2023: 0,22% and 46,45%) was calculated relating to customer type across the various industries and was adjusted with forward looking information and a credit risk premium to derive the probability of default rates. An average rate of 1,17% (2023: 1,67%) was applied to magazine customers, 1,05% (2023: 1,02%) to retail customers, 1,01% (2023: 0,93%) to books customers, 0,95% (2023: 1,00%) to newspapers customers, 0,00% (2023: 0,17%) to directories customers, 2,28% (2023: 0,29%) to education customers, 1,44% (2023: 1,35%) to packaging customers and 0,20% (2023: 0,31%) to other customers. Movements in the ECL % from the prior year are mainly in relation to the change in the composition of the debtors' book, as well as the risk profile of the customer and industry.

The reduction in the ECL % for the current and 30 days age classes, as detailed above, relates to the Print segment, where the debtors book has stabilised post COVID-19 as well as in response to the decline in the print industry. Even though the receivables base has grown, current customers are expected to be able to meet obligations, resulting in a reduced ECL being raised for these age classes.

#### 8.1 Contract Assets

The Group recognised contract assets of R6,7 million (2023: R9,4 million) related to contracts with customers. Contract assets are raised for products that are printed but not yet invoiced or delivered to the customer by year-end. Contract assets are assessed for impairment in terms of IFRS 9. Management has assessed the expected credit loss relating to these contract assets and it was deemed insignificant.

## Notes to the annual financial statements (continued)

for the year ended 31 March 2024

### 9. CASH AND CASH EQUIVALENTS

Cash and cash equivalents consist of:

	Group 2024 R'000	Group 2023 R'000	Company 2024 R'000	Company 2023 R'000
Cash at bank and on hand	153 337	188 344	476	70
Deposits on call	711 843	203 889	—	—
Cash equivalents	6 188	—	—	—
Bank overdrafts	—	(9)	—	—
	<b>871 368</b>	392 224	<b>476</b>	70
Total amount of undrawn facilities available for future operating activities and commitments	<b>744 354</b>	562 903	—	—

Deposits on call are accessible within 24 hours to 30 days.

#### The banking facilities of the Group are secured as follows:

Cession of the bank accounts and insurance policies in the names of Novus Print Proprietary Limited ("Novus Print") and Novus Holdings Limited. The bank balance at 31 March 2024 for the accounts ceded amounted to R442,2 million.

First mortgage bonds over three properties owned by Novus Print, with a carrying value of R297,1 million at 31 March 2024.

Cross collateralisation with the term loan facility (included in note 15).

Cross guarantees and suretyships exist between the various Novus Group companies for the remaining banking facilities.

### 10. NON-CURRENT ASSETS CLASSIFIED AS HELD FOR SALE

As per the prior year, the asset held for sale relates to the Novus Print Linbro Park building. The transfer date of the property took place on 11 September 2023 and proceeds amounting to R122,1 million were received on 12 September 2023.

	Notes	2024 R'000	2023 R'000
<b>Opening balance</b>		<b>109 945</b>	109 788
Transfers from property, plant and equipment	2	—	157
Disposals		<b>(109 945)</b>	—
<b>Closing balance</b>		<b>—</b>	109 945
Proceeds as per statement of cash flows		<b>122 125</b>	—
Included within profit on sale of assets	20	<b>12 180</b>	—

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, and therefore no impairment deemed necessary.

## Notes to the annual financial statements (continued)

for the year ended 31 March 2024

### 11. SHARE CAPITAL

	Group 2024 R'000	Group 2023 R'000	Company 2024 R'000	Company 2023 R'000
Authorised				
3 000 000 000 ordinary no par value shares (2023: 3 000 000 000 ordinary no par value shares)	—	—	—	—
Issued				
343 183 023 ordinary no par value shares (2023: 346 656 348 ordinary no par value shares)	449 199	507 208	503 416	577 958
Ordinary shares (in shares)				
Opening ordinary shares	346 656 348	346 656 348	346 656 348	346 656 348
Cancellation of ordinary shares	(3 473 325)	—	(3 473 325)	—
Closing ordinary shares	343 183 023	346 656 348	343 183 023	346 656 348
Treasury shares				
Opening treasury shares	(343 653)	(345 759)	(343 650)	(345 756)
Repurchase of treasury shares	46 022	—	46 022	—
Share awards vested and issued	11 987	2 106	11 987	2 106
Shares repurchased	(45 741)	—	—	—
Shares held as treasury shares	(331 385)	(343 653)	(285 641)	(343 650)
Treasury shares (in shares)				
Opening treasury shares	25 936 632	26 095 545	25 935 887	26 094 800
Cancellation of shares	(3 473 325)	—	(3 473 325)	—
Shares allotted for employee schemes	(901 972)	(158 913)	(901 972)	(158 913)
Repurchase of shares	10 465 213	—	—	—
Closing treasury shares	32 026 548	25 936 632	21 560 590	25 935 887

#### Issued share capital

The movement in issued share capital on consolidation relates to the repurchase of 3 473 325 shares from a wholly-owned subsidiary, being Latiano 554 Proprietary Limited and then the subsequent cancellation of the 3 473 325 shares. Refer to details included below.

#### Treasury shares

Treasury shares include 21 560 590 (2023: 22 462 562) ordinary shares issued to the Novus Holdings Share Trust in respect of employee share options and 10 465 213 (2023: nil) ordinary shares issued to Novus Packaging Proprietary Limited. In addition to this, treasury shares include 745 (2023: 745) ordinary shares in the Company, which the Group acquired, through its subsidiary, Novus Print Proprietary Limited, during the 2019 financial year as part of a share repurchase.

#### General repurchase

In terms of a general authority granted by Novus Holdings Limited shareholders at the Company's Annual General Meeting held on 25 August 2023, a special resolution was passed to approve the repurchase of its ordinary shares. The Group, through its subsidiary, Novus Packaging Proprietary Limited, purchased a total of 10 465 213 ordinary shares in the Company during the current year. The shares were acquired at an average price of R4,36 per share, the total cost of R45 million, was accounted for as a debit to equity as these shares are held as treasury shares in the Group.

## Notes to the annual financial statements (continued)

for the year ended 31 March 2024

### 12. OTHER RESERVES

	Group 2024 R'000	Group 2023 R'000	Company 2024 R'000	Company 2023 R'000
Other reserves in the statement of financial position comprise the following:				
Existing control business combination reserve	(129 154)	(129 154)	—	—
Share-based compensation reserve	13 355	17 626	—	—
Hedging reserve	746	1 414	—	—
Actuarial reserve	3 385	2 659	—	—
Fair value reserve	7	18	—	—
	<b>(111 661)</b>	<b>(107 437)</b>	<b>—</b>	<b>—</b>

The existing control business combination reserve is used to account for transactions with non-controlling shareholders in terms of the economic entity model, whereby the excess of the cost of the transactions over the acquirer's interest in previously recognised assets and liabilities is allocated to this reserve in equity. This reserve is also used in common control transactions (where all of the combining entities in a business combination are ultimately controlled by the same entity) where the excess of the cost of the transactions over the acquirer's proportionate share of the net assets acquired is allocated to this reserve.

The fair value of equity settled share options, Share Appreciation Rights (SARs) and Restricted Shares (RSPs) issued to employees is accounted for in the share-based compensation reserve over the vesting period. The reserve is adjusted at each year-end when the entity revises its estimates of the number of share options, SARs and RSPs that are expected to become exercisable. It recognises the impact of the revision of original estimates, if any, in the income statement, with a corresponding adjustment to this reserve in equity for equity-settled plans. Where an option lapses or expires, the portion included in this reserve is transferred to retained earnings.

The hedging reserve relates to the changes in the fair value of derivative financial instruments and the relevant underlying hedged items. It hedges forecast transactions or the foreign currency part of firm commitments. The changes in fair value are recorded in the hedging reserve until the forecast transaction or firm commitment results in the recognition of a non-financial asset or liability, when such deferred gains or losses are included in the initial measurement of the non-financial asset or liability. Movements in the hedging reserve after tax includes -R2,8 million (2023: R3,0 million) relating to the initial reclassification adjustments to inventory through equity, -R4,8 million (2023: R1,1 million) which was subsequently recognised to cost of sales through equity and R7 million (2023: -R3,9 million) relating to FEC movements through other comprehensive income.

The actuarial reserve relates to actuarial gains or losses on the post-employment medical liability as well as the provisions for pensioner gratuities.

The fair value reserve relates to gains or losses on the revaluation of financial assets at fair value through other comprehensive income.

## Notes to the annual financial statements (continued)

for the year ended 31 March 2024

### 13. POST-EMPLOYMENT MEDICAL LIABILITY

The employees of the Group participate in a post-retirement medical benefit scheme. The obligation of the Group to pay medical aid contributions after retirement is no longer part of the conditions of employment for new employees. A number of pensioners and current employees, however, remain entitled to this benefit. The entitlement to this benefit for current employees is dependent on the employees remaining in service until retirement age and completing a minimum service period.

The Group provides for post-retirement medical aid benefits on the accrual basis determined each year by way of a valuation. The key assumptions and the valuation methods are described below. The directors believe that adequate provision has been made for future liabilities.

#### Key assumptions and valuation method

The actuarial valuation method used to value the liabilities is the Projected Unit Credit Method prescribed by IAS 19 "Employee Benefits". Future benefit values are projected using specific actuarial assumptions and the liability for in-service members is accrued over the expected working lifetime.

The most significant assumptions used for the current and previous valuations are outlined below:

	2024	2023
Discount rate	12,5 - 14,9%	11,7%
Health cost inflation	6,5 - 10,3%	6,2%
Expected retirement age	65	65
Membership discontinued at retirement	0%	0%

It is assumed that current in-service members would retire on their current medical scheme option and that there would be no change in options on retirement.

#### Movement in post-employment medical liability:

	2024 R'000	2023 R'000
Opening balance	25 296	2 940
Acquisition of subsidiary	—	24 448
Current service cost	160	20
Interest cost	2 813	319
Employer benefit payments	(1 991)	(119)
Remeasurements	(321)	(2 312)
Closing balance	25 957	25 296
Total post-employment medical liability	25 957	25 296
Less: Current portion	(1 838)	(1 798)
<b>Non-current: post employment medical liability</b>	<b>24 119</b>	<b>23 498</b>

## Notes to the annual financial statements (continued)

for the year ended 31 March 2024

### 14. PROVISIONS

The long-service and retirement gratuity provisions were determined based on management's estimates and assumptions as below. The Group has an obligation to pay the benefits relating to the long service bonus for current employees, however the obligation to settle benefits relating to the retirement gratuity provision is limited to a group of employees who still remain entitled to these benefits. The remeasurements relating to the long service bonus provision are recognised in profit or loss and the remeasurements relating to the retirement gratuity provision are recognised in other comprehensive income.

#### Key assumptions and valuation method

The actuarial valuation method used to value the provisions is the Projected Unit Credit Method as prescribed by IAS 19 "Employee Benefits".

The most significant assumptions used for the current and previous valuations are outlined below:

	2024	2023
Discount rate	11,2%	8,7%
Normal salary increase rate	5,0%	5,0%
Expected retirement age	60 or 65	60 or 65

The discount rate and the normal salary increase rate assumptions should be considered in relation to each other.

#### Long service bonus

As per the Group's remuneration policies a long service bonus is paid to qualifying employees at the following intervals:

- 10 years uninterrupted service – 50% of one month's total cost to company
- 15 years uninterrupted service – 75% of one month's total cost to company
- 25 years uninterrupted service – 100% of one month's total cost to company
- 40 years uninterrupted service – 100% of one month's total cost to company

The accrued liability is determined on the basis that each employee's long service benefit accrues uniformly over the period to which the benefit becomes payable.

	2024 R'000	2023 R'000
Opening balance	7 371	8 693
Current service cost	790	727
Interest cost	658	669
Employer benefit payments	(1 142)	(1 806)
Remeasurements	(740)	(912)
Closing balance	6 937	7 371

## Notes to the annual financial statements (continued)

for the year ended 31 March 2024

### 14. PROVISIONS (continued)

#### Retirement gratuity

The retirement gratuity is paid to qualifying employees in the event of retirement (normal, early and ill-health) at the age of 55 years or older and with at least 15 years of continued service at retirement.

The accrued liability was calculated by taking a pro-rata proportion of the total calculated value. This proportion is based on the past service of members relative to their prospective total service.

	2024 R'000	2023 R'000
Opening balance	1 978	2 055
Current service cost	35	32
Interest cost	197	179
Employer benefit payments	(208)	(383)
Remeasurements	(405)	95
Closing balance	1 597	1 978

#### Total provisions

	2024 R'000	2023 R'000
Long service bonus provision	6 937	7 371
Retirement gratuity provision	1 597	1 978
Total provisions	8 534	9 349
Non-current provisions	8 534	9 349

## Notes to the annual financial statements (continued)

for the year ended 31 March 2024

### 15. BORROWINGS AND LEASE LIABILITIES

	2024 R'000	2023 R'000
Total lease liabilities	25 929	33 822
Less: Current portion	(9 270)	(8 029)
<b>Interest-bearing: Lease Liabilities</b>	<b>16 659</b>	25 793
Total borrowings	401 014	481 109
Less: Current portion*	(90 828)	(317 508)
<b>Interest-bearing: Borrowings</b>	<b>310 186</b>	163 601
Total liabilities	426 943	514 931
Less: Current portion*	(100 098)	(325 537)
<b>Net long-term liabilities</b>	<b>326 845</b>	189 394

Details of Lease Liabilities	Total Liability	Currency of balance	Incremental borrowings rate	Final repayment dates
Buildings	25 393	South African Rand (ZAR)	10,15%	2021-2027
Manufacturing equipment	536	South African Rand (ZAR)	6,18%-10,15%	2024-2025
	25 929			

	Notes	2024 R'000	2023 R'000
Payable within one year		11 052	10 902
Payable within two to five years		18 295	29 568
		<b>29 347</b>	40 470
Future finance costs on finance leases		(3 418)	(6 648)
<b>Present value of lease liabilities</b>		<b>25 929</b>	33 822
Present value			
Payable within one year		9 270	8 029
Payable within two to five years		16 659	25 793
<b>Present value of lease liabilities</b>		<b>25 929</b>	33 822
<b>The table below show a reconciliation of lease liabilities</b>			
<b>Opening Balance</b>		<b>33 822</b>	32 115
New leases		—	1 219
Leases terminated		—	—
Acquisition of subsidiary		—	5 721
Interest	23	3 009	3 233
Payments		(10 902)	(8 466)
<b>Closing Balance</b>		<b>25 929</b>	33 822

	2024 R'000	2023 R'000
<b>Borrowings</b>		
Currency of balance: South African Rand (ZAR)		
<b>Investec Bank Limited</b>	<b>402 854</b>	484 472
Weighted average year-end interest rate: 11,30% linked to 3-month JIBAR payable in quarterly repayments from 31 March 2023 to 29 November 2027.		
<b>Structuring costs amortised over the loan period</b>	<b>(1 840)</b>	(3 363)
	<b>401 014</b>	481 109

## Notes to the annual financial statements (continued)

for the year ended 31 March 2024

### 15. BORROWINGS AND LEASE LIABILITIES (continued)

	2024 R'000	2023 R'000
Payable within one year	133 317	336 605
Payable within two to five years	366 621	202 649
	<b>499 938</b>	539 254
Future finance costs on borrowings	(98 923)	(58 145)
<b>Present value of borrowings</b>	<b>401 015</b>	481 109
<b>Repayment terms of borrowings</b>		
Payable within one year	90 828	317 508
Payable within two to five years	310 186	163 601
	<b>401 014</b>	481 109
<b>The table below show a reconciliation of borrowings</b>		
<b>Opening Balance</b>	<b>481 109</b>	—
New borrowings	300 000	1 000 000
Structuring costs paid and to be amortised over the loan period	—	(3 750)
Payments	(432 221)	(544 257)
Interest	52 126	29 115
<b>Closing Balance</b>	<b>401 014</b>	481 109
<b>Interest rate profile of long-term liabilities (long and short-term portion, including lease liabilities)</b>		
Loans at fixed rates (1-12 months)	3 369	3 695
Loans at fixed rates (more than 12 months)	22 560	30 127
Loans linked to variable rates	401 014	481 109
	<b>426 943</b>	514 931

#### 15.1 Net debt reconciliation

This section sets out an analysis of net debt and the movements in net debt for each of the periods presented.

	2024 R'000	2023 R'000
<b>Net cash/(debt)</b>		
Cash and cash equivalents	871 368	392 233
Liquid investments (i)	16 712	3 049
Borrowings - repayable within one year (including overdraft) (ii)	(100 098)	(325 546)
Borrowings - repayable after one year (ii)	(326 845)	(189 394)
<b>Net cash/(debt)</b>	<b>461 137</b>	(119 658)
Cash and liquid investments	888 080	395 282
Gross debt - fixed interest rates	(25 929)	(33 822)
Gross debt - variable interest rates	(401 014)	(481 118)
<b>Net cash/(debt)</b>	<b>461 137</b>	(119 658)

- (i) Liquid investments comprise financial assets at fair value through other comprehensive income and financial assets at fair value through profit or loss.
- (ii) Borrowings include finance leases, loans and liabilities and bank overdrafts.

## Notes to the annual financial statements (continued)

for the year ended 31 March 2024

### 15.1 Net debt reconciliation (continued)

	2024 R'000	2023 R'000
<b>Total cash flows in respect of leases:</b>		
Principal portion of the lease liabilities (included in cash flows from financing activities)	<b>(7 893)</b>	(5 233)
Interest portion of the lease liabilities (included in cash flows from financing activities)	<b>(3 009)</b>	(3 233)
Variable lease payments that are not included in the measurement of the lease liabilities (included in cash generated from operating activities)	<b>(7 377)</b>	(7 581)
	<b>(18 279)</b>	(16 047)

#### *Assets pledged as security for borrowings*

The term loan is secured by the following:

- Pledge and cession of the Group's interest in 75% of the issued share capital of Maskew Miller Learning Proprietary Limited ("MML").
- Cession of dividends paid by MML and cash sweep of these dividends at the election of the bank.
- Guarantees from Novus Holdings Limited and certain of its subsidiaries.
- Cession of Novus Print's bank accounts as disclosed in note 9.
- Cross collateralisation to the working capital facilities.

#### *Loan covenants*

Under the terms of the major borrowing facilities, the Group is required to comply with the following financial covenants which are calculated biannually, in September and March, in line with reporting requirements:

- 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 the 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 2024. During the prior year, the Group complied with all the required financial covenants, 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. This resulted in increased working capital cash outflows and reduced free cash flow significantly which was 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 2024, the balance on the term loan outstanding amounted to R401 million and the working capital facility amounted to Rnil.

\* Due to the breach of the debt service ratio covenant clause in the prior year, the bank was 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 31 March 2023 and prior to approval of the prior year financial statements, the bank condoned the covenant breach thus not requiring repayment of the loan immediately or within the following twelve months and thus not affecting the liquidity position of the Group at 31 March 2023.

## Notes to the annual financial statements (continued)

for the year ended 31 March 2024

### 16. SHARE BASED PAYMENTS

The Group operates a number of share incentive plans, share appreciation rights ("SARs") and restricted share plans ("RSPs") schemes.

All share options are granted with an exercise price of not less than 100% of the market value or fair value of the respective company's shares on the date of the grant. All SARs are granted with an exercise price of not less than 100% of the fair value of the SARs on the date of the grant. All unvested share options/SARs are subject to forfeiture upon termination of employment. All cancelled options/SARs are options/SARs cancelled by mutual agreement between the employer and employee. The group has replaced its share incentive plans with a deferred bonus scheme or other cash based long term incentive and no grants have been made in accordance with these schemes since 23 September 2016.

All RSPs are granted with an exercise price of nil. All unvested RSPs are subject to forfeiture upon termination of employment and cancelled RSPs are cancelled by mutual agreement between the employer and employee.

The share-based payment reserves at 31 March are as follows:

	Note	2024 R'000	2023 R'000
<b>Share-based compensation reserve</b>			
Balance as at 31 March	12	13 355	17 626
<b>Income statement</b>			
Share-based compensation charge	12	1 253	3 293

The following significant share incentive plans were in operation during the financial year:

	Date of incorporation	Maximum awards permissible <sup>#</sup>	Vesting period	Period to expiry from date of offer	IFRS 2 classification
<b>Share appreciation rights schemes</b>					
Novus Holdings Limited Share Appreciation Rights Plan	23 September 2016	10%	*	6 years	Equity settled
Novus Holdings Limited Restricted Share Plan	23 September 2016	10%	**	6 years	Equity settled

#### Notes:

<sup>#</sup> The percentage reflected in this column is the maximum percentage of the respective companies issued/notional share capital that the applicable trust may hold and subsequently allocate to participants subject to the following, where applicable:

\* One third vests after each of years three, four and five.

\*\* One quarter vests in years one to four.

## Notes to the annual financial statements (continued)

for the year ended 31 March 2024

### 16. SHARE BASED PAYMENTS (continued)

Movements in the share incentive plans are as follows:

	Novus Holdings Limited Share Appreciation Rights Plan		Novus Holdings Limited Restricted Share Plan	
	2024	2023	2024	2023
<b>SARs/RSPs/Options</b>				
Outstanding 01 April	13 566 689	16 047 978	396 165	396 165
Exercised	(5 178 668)	(523 939)	—	—
Forfeited	(237 334)	(1 957 350)	(40 625)	—
Lapsed	(1 524 571)	—	—	—
Outstanding 31 March	6 626 116	13 566 689	355 540	396 165
	R	R	R	R
<b>Weighted average exercise price</b>				
Outstanding 01 April	4,00	3,89	—	—
Exercised	3,65	2,40	—	—
Forfeited	3,53	3,56	—	—
Lapsed	6,57	—	—	—
Outstanding 31 March	4,00	4,00	—	—
<b>Weighted average share price of options taken up during the year</b>				
SARs	5 178 668	523 939	—	—
Weighted average SAR price (R)	3,65	2,40	—	—

#### Novus Holdings Limited Share Appreciation Rights Plan

	SARS outstanding				
	Exercise prices	Number outstanding at 31 March	Weighted average remaining contractual life (years)	Exercisable at 31 March	Weighted average exercise price (R)
2024	2,40	1 446 956	1,73	367 456	2,40
	4,00	2 540 168	1,32	2 001 386	4,00
	4,12	2 638 992	0,29	2 638 992	4,12
		6 626 116		5 007 834	4,00
2023	2,40	2 818 998	2,73	1 973 564	2,40
	4,00	4 262 819	2,32	3 260 648	4,00
	4,12	4 960 301	1,29	4 596 017	4,12
	6,54	1 159 829	0,50	1 159 829	6,54
	6,65	364 742	0,68	364 742	6,65
	13 566 689		11 354 800	4,00	

There are currently 5 007 834 (2023: 11 354 800) SARs which are exercisable at year-end.

## Notes to the annual financial statements (continued)

for the year ended 31 March 2024

### 16. SHARE BASED PAYMENTS (continued)

#### Novus Holdings Limited Restricted Share Plan

	Restricted shares outstanding		
	Exercise prices	Number outstanding at 31 March	Weighted average remaining contractual life (years)
<b>2024</b>	—	<b>355 540</b>	<b>1,32</b>
		<b>355 540</b>	
<b>2023</b>	—	396 165	2,32
		396 165	

There are currently 355 540 (2023: 396 165) RSPs which are exercisable at year-end with an exercise price of nil.

There were no SARs or RSPs granted under the Novus Holdings Limited Share Appreciation Rights Plan or Restricted Share Plan during the financial year.

## Notes to the annual financial statements (continued)

for the year ended 31 March 2024

### 16. SHARE BASED PAYMENTS (continued)

The directors of Novus Holdings Limited have the following SARs:

2024

Director	SARs	Date of award	Number of instruments awarded	Offer price (R)	Outstanding at 31 March 2023	Exercised during the year	Lapsed during the year	Outstanding at 31 March 2024	Indicative value of unvested and/or unexercised options (R'000)#
<b>C Wright</b>									
	Novus Holdings Share Appreciation Rights Plan	29/09/2017	159 162	6,54	159 162	—	(159 162)	—	—
	Novus Holdings Share Appreciation Rights Plan	13/07/2018	225 896	4,12	225 896	—	—	225 896	54
	Novus Holdings Share Appreciation Rights Plan	26/07/2019	165 375	4,00	165 375	—	—	165 375	60
	Novus Holdings Share Appreciation Rights Plan	20/12/2019	275 625	2,40	97 616	—	—	97 616	191
									305
<b>K Alwar</b>									
	Novus Holdings Share Appreciation Rights Plan	29/09/2017	130 486	6,54	130 486	—	(130 486)	—	—
	Novus Holdings Share Appreciation Rights Plan	13/07/2018	213 863	4,12	213 863	—	—	213 863	51
	Novus Holdings Share Appreciation Rights Plan	26/07/2019	148 567	4,00	148 567	—	—	148 567	53
	Novus Holdings Share Appreciation Rights Plan	20/12/2019	247 611	2,40	112 913	—	—	112 913	221
									326
<b>K Julies</b>									
	Novus Holdings Share Appreciation Rights Plan	26/07/2019	42 525	4,00	42 525	—	—	42 525	15
	Novus Holdings Share Appreciation Rights Plan	20/12/2019	70 875	2,40	32 319	—	—	32 319	63
									78

# The indicative value of outstanding 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 year-end:  
Novus Holdings Limited – R4,36

## Notes to the annual financial statements (continued)

for the year ended 31 March 2024

### 16. SHARE BASED PAYMENTS (continued)

The directors of Novus Holdings Limited have the following SARs:

#### 2023

Director	SARs	Date of award	Number of instruments awarded	Offer price (R)	Outstanding at 31 March 2022	Exercised during the year	Cancelled/ forfeited during the year	Outstanding at 31 March 2023	Indicative value of unvested and/or unexercised options (R'000)*
<b>N Birch</b>									
	Novus Holdings Limited Share Appreciation Rights Plan	05/12/2017	364 742	6,65	364 742	—	—	364 742	—
	Novus Holdings Limited Share Appreciation Rights Plan	13/07/2018	1 347 379	4,12	1 347 379	—	(29 940)	1 317 439	—
	Novus Holdings Limited Share Appreciation Rights Plan	26/07/2019	936 000	4,00	936 000	—	(109 200)	826 800	—
	Novus Holdings Limited Share Appreciation Rights Plan	20/12/2019	1 559 998	2,40	711 387	—	(279 498)	431 889	605
									605
<b>K Alwar</b>									
	Novus Holdings Limited Share Appreciation Rights Plan	29/09/2017	130 486	6,54	130 486	—	—	130 486	—
	Novus Holdings Limited Share Appreciation Rights Plan	13/07/2018	213 863	4,12	213 863	—	—	213 863	—
	Novus Holdings Limited Share Appreciation Rights Plan	26/07/2019	148 567	4,00	148 567	—	—	148 567	—
	Novus Holdings Limited Share Appreciation Rights Plan	20/12/2019	247 611	2,40	112 913	—	—	112 913	158
									158

# The indicative value of outstanding 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 year-end:  
Novus Holdings Limited – R3,80

## Notes to the annual financial statements (continued)

for the year ended 31 March 2024

### 17. TRADE AND OTHER PAYABLES

	Group 2024 R'000	Group 2023 R'000	Company 2024 R'000	Company 2023 R'000
Trade payables	243 900	329 191	—	—
Personnel accruals	10 719	13 714	—	—
Accrued leave pay	16 398	18 454	—	—
Accrued bonus	27 659	15 246	—	—
Accrued expenses	191 870	119 768	—	—
Value added tax	7 279	4 384	—	—
Other current liabilities	4 940	3 445	400	408
	<b>502 765</b>	504 202	<b>400</b>	408

The fair values of trade and other payables approximate their carrying values. The increase in the accrued bonus and accrued expenses compared to the prior year is due to Maskew Miller Learning Proprietary Limited aligning their bonus and royalty payments with the Group's 31 March financial year-end compared to the prior year where those obligations were settled prior to 31 March 2023.

### 18. DEFERRED INCOME

Deferred income consists of Government grants received.

	Group 2024 R'000	Group 2023 R'000	Company 2024 R'000	Company 2023 R'000
Opening balance	4 691	6 005	—	—
Included in profit or loss	(1 314)	(1 314)	—	—
Closing balance	<b>3 377</b>	4 691	—	—
Non-current liability portion	<b>2 667</b>	3 377	—	—
Current portion	<b>710</b>	1 314	—	—
	<b>3 377</b>	4 691	—	—
	<b>Group 2024 R'000</b>	<b>Group 2023 R'000</b>	<b>Company 2024 R'000</b>	<b>Company 2023 R'000</b>
<b>Grant date:</b>				
28 February 2013	2 952	3 444	—	—
01 October 2015	209	1 023	—	—
20 October 2015	216	224	—	—
	<b>3 377</b>	4 691	—	—

These grants were received from the Department of Trade and Industry ("DTI") in terms of the Manufacturing Competitiveness Enhancement Programme ("MCEP") and relate to capital expenditure for expansion of production equipment.

## Notes to the annual financial statements (continued)

for the year ended 31 March 2024

### 19. REVENUE

	Group 2024 R'000	Group 2023 R'000	Company 2024 R'000	Company 2023 R'000
<b>Revenue from contracts with customers</b>				
Print revenue	2 247 361	2 261 738	—	—
Packaging revenue	635 561	636 263	—	—
Educational revenue	961 929	156 353	—	—
Waste revenue	21 834	22 526	—	—
Distribution revenue	68 844	86 087	—	—
Other revenue	16 911	23 471	—	—
<b>Revenue other than from contracts with customers</b>				
Other revenue	9 996	9 187	589 060	313 836
	<b>3 962 436</b>	<b>3 195 625</b>	<b>589 060</b>	<b>313 836</b>

### 20. OTHER GAINS/(LOSSES)

	Notes	Group 2024 R'000	Group 2023 R'000	Company 2024 R'000	Company 2023 R'000
Loss on disposal of property, plant and equipment		(1 223)	(1 285)	—	—
Profit on disposal of intangibles		78	—	—	—
Profit on disposal of non-current assets held for sale		12 180	—	—	—
Gain on bargain purchase		668	100 053	—	—
Impairment of investment in subsidiary	5	—	—	—	(16 323)
Impairment of property, plant and equipment	2	(24 555)	(20 479)	—	—
Fair value adjustments		1 713	—	—	—
Impairment of loan receivable from associate		—	(1 665)	—	—
		<b>(11 139)</b>	<b>76 624</b>	<b>—</b>	<b>(16 323)</b>

## Notes to the annual financial statements (continued)

for the year ended 31 March 2024

### 21. INCOME AND EXPENSES BY NATURE

	Notes	Group 2024 R'000	Group 2023 R'000	Company 2024 R'000	Company 2023 R'000
Operating profit includes the following items:					
<b>Depreciation classification</b>					
Cost of sales		48 205	50 940	—	—
Operating expenses		26 038	22 262	—	—
	2, 39	74 243	73 202	—	—
<b>Amortisation classification</b>					
Cost of sales		32 162	8 476	—	—
Operating expenses		128 900	43 124	—	—
		161 062	51 600	—	—
<b>Property related expenses</b>					
		7 377	7 581	—	—
		7 377	7 581	—	—
<b>Auditor's remuneration</b>					
Fees		4 663	4 469	—	—
Prior year (over)/under provision		(327)	131	—	—
All other fees		360	2 198	—	—
		4 696	6 798	—	—
<b>Foreign exchange profits</b>					
On capitalisation of forward exchange contracts in hedging transactions		6 608	1 523	—	—
		6 608	1 523	—	—
<b>Advertising expense</b>					
		35 113	5 059	—	—
<b>Cost of inventories sold</b>					
		1 906 434	1 765 553	—	—
<b>Water and electricity</b>					
		129 135	131 137	—	—
<b>Repairs and maintenance</b>					
		124 549	125 030	—	—
<b>Research and development</b>					
		4 259	—	—	—
<b>Employee costs</b>					
Salaries, wages and bonuses		468 262	454 371	—	—
Retirement benefit costs (defined contribution plan)		46 468	39 342	—	—
Medical aid fund contributions		13 689	14 828	—	—
Post-retirement benefits		1 032	(1 973)	—	—
Share-based compensation charge	16	1 253	3 293	—	—
Long-service and retirement gratuities		1 296	695	—	—
Training costs		8 362	6 897	—	—
		540 362	517 453	—	—
<b>Other expenses</b>					
		579 390	503 751	—	—
		3 568 969	3 188 687	—	—

## Notes to the annual financial statements (continued)

for the year ended 31 March 2024

### 22. FINANCE INCOME

	Group 2024 R'000	Group 2023 R'000	Company 2024 R'000	Company 2023 R'000
Bank	43 531	20 778	—	—
Other	1 539	506	—	—
<b>Interest received</b>	<b>45 070</b>	<b>21 284</b>	<b>—</b>	<b>—</b>

### 23. FINANCE COSTS

	Notes	Group 2024 R'000	Group 2023 R'000	Company 2024 R'000	Company 2023 R'000
<b>Net loss from foreign exchange translation and fair-value adjustments on derivative financial instruments*</b>		<b>2 432</b>	12 831	—	—
Bank		5 348	3 743	6	1
Loans	15	52 126	29 115	—	—
Leases	15	3 009	3 233	—	—
Other		6 593	323	—	—
<b>Interest expense</b>		<b>67 076</b>	<b>36 414</b>	<b>6</b>	<b>1</b>
		<b>69 508</b>	<b>49 245</b>	<b>6</b>	<b>1</b>

\* The current year includes R10,3 million (2023: R71,6 million) on translation of trade payables and R7,9 million (2023: R58,7 million) on translation of forward exchange contracts.

#### Cashflow reconciliation of finance cost

<b>Interest portion of lease liabilities paid per statement of cash flows</b>	15	<b>3 009</b>	3 233	—	—
Finance cost on borrowings & other		64 067	33 181	—	—
Structuring costs paid	15	—	3 750	—	—
Interest paid per statement of cashflows		64 067	36 931	—	—
		<b>67 076</b>	<b>40 164</b>	<b>—</b>	<b>—</b>

## Notes to the annual financial statements (continued)

for the year ended 31 March 2024

### 24. TAXATION

	Group 2024 R'000	Group 2023 R'000	Company 2024 R'000	Company 2023 R'000
Major components of the income tax expense				
<b>Current</b>	<b>129 990</b>	5 250	—	—
Local income tax - current period	130 477	3 058	—	—
Local income tax - prior years	(487)	2 192	—	—
<b>Deferred</b>	<b>(22 618)</b>	(10 103)	—	—
Local income tax - current period	(34 880)	(11 605)	—	—
Local income tax - prior years	12 262	1 502	—	—
	<b>107 372</b>	(4 853)	—	—
<b>Reconciliation of the income tax expense</b>				
Reconciliation between the accounting profit and the income tax expense				
Accounting profit	360 481	54 740	589 054	297 512
Tax at the applicable tax rate of 27% (2023: 27%)	97 330	14 780	159 045	80 328
<b>Tax effects of adjustments on taxable income</b>				
Non-deductible expenses*	669	5 201	1	4 407
Non-taxable income**	(2 241)	(27 773)	(159 046)	(84 736)
Prior year adjustments	11 775	3 694	—	—
Changes in tax rate	—	—	—	—
Taxation losses utilised	—	—	—	—
Other	538	(987)	—	—
Tax attributable to associate income	(699)	232	—	—
	<b>107 372</b>	(4 853)	—	—
Effective tax rate	<b>29,8%</b>	-8,9%	<b>0,0%</b>	0,0%

\* Non-deductible expenses within the Group relate mainly to equity settled share-based compensation charges on the employee share incentive plans and non-deductible consulting and legal fees.

\*\* Non-taxable income within the Group mainly relate to DTI Grant income and learnership allowances claimed in Novus Print (Pty) Ltd. Non-taxable income within the Company relates to inter-group dividends received.

### 25. 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 (see note 16) 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).

## Notes to the annual financial statements (continued)

for the year ended 31 March 2024

### 25. EARNINGS PER SHARE (continued)

2024

	Gross R'000	Taxation R'000	Net R'000
<b>Earnings</b>			
Net profit attributable to shareholders			241 905
Adjustments	12 852	(3 650)	9 202
Loss on disposal of property, plant and equipment (note 20)	1 223	(330)	893
Profit on disposal of non-current assets held for sale (note 20)	(12 180)	3 289	(8 891)
Profit on the sale of intangible assets (note 20)	(78)	21	(57)
Gain on bargain purchase (note 20)	(668)	—	(668)
Impairment in value of property, plant and equipment (note 2)	24 555	(6 630)	17 925
<b>Headline earnings</b>			<b>251 107</b>

2023

	Gross R'000	Taxation R'000	Net R'000
<b>Earnings</b>			
Net profit attributable to shareholders			60 585
Adjustments	(78 289)	(5 876)	(84 165)
Profit on sale of property, plant and equipment	1 285	(347)	938
Gain on bargain purchase (note 20)	(100 053)	—	(100 053)
Impairment in value of property, plant and equipment (note 2)	20 479	(5 529)	14 950
<b>Headline loss</b>			<b>(23 580)</b>

	2024	2023
<b>Number of ordinary shares in issue at year end</b>	<b>343 183 023</b>	346 656 348
<b>Weighted average number of shares</b>		
Shares for earnings per share adjusted for weighting	<b>318 879 670</b>	320 600 549
<b>Earnings per ordinary share (cents)</b>		
Basic	<b>75,86</b>	18,90
Diluted*	<b>64,71</b>	18,90
<b>Headline earnings/(loss) per share (cents)</b>		
Basic	<b>78,75</b>	(7,35)
Diluted*	<b>67,59</b>	(7,35)

\* Earnings per share and Headline Earnings per share have been adjusted for the after-tax dilutive effect of the future conversion of the accelerated empowerment ("AE") shares to ordinary shares held by the minority shareholders in MML, which will result in increased earnings attributable to non-controlling interest.

## Notes to the annual financial statements (continued)

for the year ended 31 March 2024

### 26. SEGMENTAL ANALYSIS

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. Operating profit is the income statement measure used most often by the CODM to assess performance and allocate resources.

The executive committee has identified four 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 deliver similar products and services to their customers through the similar distribution methods applied, has a similar production process and utilising similar suppliers to service these same customers.

The Print segment comprises a national network of printing plants equipped with the most technologically advanced equipment, ensuring highly efficient and fully automated production processes in the printing of books, magazines, retail inserts and newspapers in servicing the customers in the fast-moving consumer goods ("FMCG") sector. The Print segment engages with local and external suppliers in providing raw materials (paper) and related services in the production process of these products while using their efficient supply chain in the distribution of the products per order.

The Education segment was added to the segment reporting in the prior year, following the acquisition of Maskew Miller Learning, which develops educational content for various institutions from government to private colleges.

The Packaging segment produces flexible packaging products and prints flexible labels to their specific customers in the beverage, petrochemical and broader FMCG markets. The production process and facilities in producing these products are aligned to create an efficient packaging process to distribute the products per order.

The Other segment comprises non-print/packaging or educational related transactions. Included in this segment is earnings from the Group's associate in the Tissue manufacturing industry. This business produces jumbo tissue wadding, which is used by clients to produce a complete range of household and consumer products such as toilet paper, facial tissue, kitchen towels and serviettes. The production process converts paper from the printing operations into jumbo tissue wadding in a model of production efficiency.

Revenue of approximately R860,9 million (2023: R740,7 million) is derived from a single external customer within the Print segment. The total revenue from external foreign customers is R120,4 million (2023: R89,8 million).

## Notes to the annual financial statements (continued)

for the year ended 31 March 2024

### 26. SEGMENTAL ANALYSIS (continued)

2024

	Print R'000	Packaging R'000	Education R'000	Other* R'000	Eliminations R'000	Total R'000
External revenue	2 330 561	656 829	966 159	8 887	—	3 962 436
Inter-segmental revenue	88 381	—	—	—	(88 381)	—
<b>Total revenue</b>	<b>2 418 942</b>	<b>656 829</b>	<b>966 159</b>	<b>8 887</b>	<b>(88 381)</b>	<b>3 962 436</b>
Cost of sale of goods	(1 970 285)	(513 521)	(347 808)	—	86 753	(2 744 861)
Selling, general and administrative expenses	(346 349)	(53 570)	(188 605)	(278)	—	(588 802)
Other gains/(losses)	(10 655)	1 975	(2 459)	—	—	(11 139)
<b>EBITDA</b>	<b>91 653</b>	<b>91 713</b>	<b>427 287</b>	<b>8 609</b>	<b>(1 628)</b>	<b>617 634</b>
Depreciation	(46 873)	(22 038)	(5 295)	(37)	—	(74 243)
Amortisation	(412)	(235)	(160 415)	—	—	(161 062)
<b>Operating profit</b>	<b>44 368</b>	<b>69 440</b>	<b>261 577</b>	<b>8 572</b>	<b>(1 628)</b>	<b>382 329</b>
Finance income	20 712	3 954	20 140	264	—	45 070
Finance costs	(59 997)	(3 642)	(5 869)	—	—	(69 508)
Earnings from associates	—	—	—	2 590	—	2 590
<b>Profit/(loss) before taxation</b>	<b>5 083</b>	<b>69 752</b>	<b>275 848</b>	<b>11 426</b>	<b>(1 628)</b>	<b>360 481</b>
<b>Additional disclosure</b>						
Property, plant and equipment additions	28 336	73 754	6 048	—	—	108 138
Capital commitments	36 122	432	—	—	—	36 554
Impairment of assets	(21 724)	—	(2 830)	—	—	(24 554)
Amortisation on acquired intangibles	—	—	(128 523)	—	—	(128 523)
Gain on bargain purchase	668	—	—	—	—	668
Net impairment losses on financial assets	5 447	(113)	(13 026)	—	—	(7 692)
Taxation	(1 208)	(17 410)	(88 802)	(391)	439	(107 372)
Investment in associates	—	—	—	13 787	—	13 787
Total assets	1 922 367	690 957	1 212 289	160 568	(688 224)	3 297 959
Total liabilities	456 876	215 659	492 613	575 312	(688 224)	1 052 234

The table below shows the relationship between the revenue streams disclosed in note 19 and the revenue disclosed per segment above:

Segment:	Print revenue R'000	Packaging revenue R'000	Educational revenue R'000	Waste revenue R'000	Distribution revenue R'000	Other revenue* R'000	Total R'000
Print	2 247 361	—	—	21 834	50 948	10 418	2 330 561
Packaging	—	635 561	—	—	17 896	3 372	656 829
Education	—	—	961 929	—	—	4 230	966 159
Other	—	—	—	—	—	8 887	8 887
	<b>2 247 361</b>	<b>635 561</b>	<b>961 929</b>	<b>21 834</b>	<b>68 844</b>	<b>26 907</b>	<b>3 962 436</b>

\* Rental income relating to the investment property has been separated out for disclosure purposes from the Print and Packaging segments and disclosed in the Other segment during the current year and in the prior year.

#### Expenses per the segment note:

Cost of sale of goods	(2 744 861)
Selling, general and administrative expenses	(588 802)
Depreciation	(74 243)
Amortisation	(161 062)
	<b>(3 568 968)</b>

#### Expenses per the income statement:

Cost of sales	(2 825 228)
Operating expenses	(743 740)
	<b>(568 968)</b>

## Notes to the annual financial statements (continued)

for the year ended 31 March 2024

### 26. SEGMENTAL ANALYSIS (continued)

2023

	Print R'000	Packaging R'000	Education R'000	Other* R'000	Eliminations R'000	Total R'000
External revenue	2 370 425	659 361	156 353	9 486	—	3 195 625
Inter-segmental revenue	4 637	—	—	—	(4 637)	—
<b>Total revenue</b>	<b>2 375 062</b>	<b>659 361</b>	<b>156 353</b>	<b>9 486</b>	<b>(4 637)</b>	<b>3 195 625</b>
Cost of sale of goods	(1 958 231)	(525 684)	(56 538)	(2)	4 637	(2 535 818)
Selling, general and administrative expenses	(396 301)	(51 040)	(80 130)	(596)	—	(528 067)
Other gains/(losses)	(19 403)	(4 026)	100 053	—	—	76 624
<b>EBITDA</b>	<b>1 127</b>	<b>78 611</b>	<b>119 738</b>	<b>8 888</b>	<b>—</b>	<b>208 364</b>
Depreciation	(50 914)	(20 795)	(1 455)	(38)	—	(73 202)
Amortisation	(689)	(235)	(50 676)	—	—	(51 600)
<b>Operating profit</b>	<b>(50 476)</b>	<b>57 581</b>	<b>67 607</b>	<b>8 850</b>	<b>—</b>	<b>83 562</b>
Finance income	8 340	3 343	9 456	145	—	21 284
Finance costs	(44 895)	(4 116)	(199)	(35)	—	(49 245)
Earnings from associate	—	—	—	(861)	—	(861)
<b>Profit/(loss) before taxation</b>	<b>(87 031)</b>	<b>56 808</b>	<b>76 864</b>	<b>8 099</b>	<b>—</b>	<b>54 740</b>
<b>Additional disclosure:</b>						
Property, plant and equipment additions	28 275	19 305	2 543	—	—	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)	143	(1 710)	—	—	(11 335)
Taxation	19 275	(5 791)	7 089	(15 720)	—	4 853
Investment in associates	—	—	—	11 197	—	11 197
Total assets	2 083 980	567 743	1 252 126	164 748	(671 525)	3 397 072
Total liabilities	679 620	155 939	439 785	576 550	(671 525)	1 180 369

The table below shows the relationship between the revenue streams disclosed in note 19 and the revenue disclosed per segment above:

Segment:	Print revenue R'000	Packaging revenue R'000	Educational revenue R'000	Waste revenue R'000	Distribution revenue R'000	Other* revenue R'000	Total R'000
Print	2 261 738	—	—	22 526	67 298	18 863	2 370 425
Packaging	—	636 263	—	—	18 789	4 309	659 361
Education	—	—	156 353	—	—	—	156 353
Other	—	—	—	—	—	9 486	9 486
	<b>2 261 738</b>	<b>636 263</b>	<b>156 353</b>	<b>22 526</b>	<b>86 087</b>	<b>32 658</b>	<b>3 195 625</b>

\* Rental income relating to the investment property has been separated out for disclosure purposes from the Print and Packaging segments and disclosed in the Other segment during the current year and in the prior year.

#### Expenses per the segment note:

Cost of sale of goods	(2 535 818)
Selling, general and administrative expenses	(528 067)
Depreciation	(73 202)
Amortisation	(51 600)
	<b>(3 188 687)</b>

#### Expenses per the income statement:

Cost of sales	(2 595 234)
Operating expenses	(593 453)
	<b>(3 188 687)</b>

## Notes to the annual financial statements (continued)

for the year ended 31 March 2024

### 27. CASH GENERATED FROM OPERATIONS

	Notes	Group 2024 R'000	Group 2023 R'000	Company 2024 R'000	Company 2023 R'000
Profit before tax		360 481	54 740	589 054	297 512
<b>Adjusted for:</b>		<b>272 072</b>	<b>88 117</b>	<b>(589 054)</b>	<b>(297 512)</b>
Depreciation of property, plant and equipment	2	72 490	71 465	—	—
Depreciation of investment property	39	1 766	1 737	—	—
Amortisation of intangible assets	4	161 062	51 600	—	—
Net impairment of property, plant and equipment	2	24 555	20 479	—	—
Impairment of loans	5	—	1 665	—	—
Impairment of investments in subsidiaries	5	—	—	—	16 323
Profit/ (loss) on disposal of property, plant and equipment and non-current assets held for sale	20	(10 957)	1 285	—	—
Profit/(loss) on disposal of intangibles	20	(78)	—	—	—
Gain on bargain purchase	20	(668)	(100 053)	—	—
Bad debts written off	8	4 108	—	—	—
Finance income	22	(45 070)	(21 284)	—	—
Finance costs	23	67 076	36 414	6	1
Movement in provisions for inventory write-down	7	(8 239)	(2 114)	—	—
Payments for post-retirement medical liability	13	—	(119)	—	—
Long-service and retirement gratuity expense	21	940	695	—	—
Provisions and post-retirement medical liability expense	13	364	(1 973)	—	—
Increase of bad debt provision/loss allowance	8	3 802	11 335	—	—
Share-based payment expense	21	1 253	3 293	—	—
Earnings from equity accounted associates	38	(2 590)	861	—	—
Dividends received	19	—	—	(589 060)	(313 836)
Foreign exchange movements		2 432	12 831	—	—
Other non-cash items		(174)	—	—	—
<b>Changes in working capital</b>		<b>327 455</b>	<b>19 995</b>	<b>(7)</b>	<b>—</b>
Inventories and product development assets		322 778	(304 614)	—	—
Trade and other receivables		16 459	454 342	—	—
Trade and other payables		(11 782)	(129 733)	(7)	—
		<b>960 008</b>	<b>162 852</b>	<b>(7)</b>	<b>—</b>

### 28. TAX PAID

	Group 2024 R'000	Group 2023 R'000	Company 2024 R'000	Company 2023 R'000
Receivable/(payable) at the beginning of the year	17 413	(9 102)	—	—
Acquisition of subsidiary	—	(70 747)	—	—
Current tax for the year recognised in profit or loss	(129 990)	(5 250)	—	—
Net (receivable)/payable at the end of the year	(19 173)	(17 413)	—	—
	<b>(131 750)</b>	<b>(102 512)</b>	<b>—</b>	<b>—</b>

## Notes to the annual financial statements (continued)

for the year ended 31 March 2024

### 29.1 DIVIDENDS

Dividends declared by the Group during the year amounted to 50 cents per share (2023: Rnil). The Board has approved a final dividend of 50 cents per share.

### 29.2 DIVIDENDS PAID

	Group 2024 R'000	Group 2023 R'000	Company 2024 R'000	Company 2023 R'000
Dividends paid/payable by Novus Holdings Limited	155 581	—	155 581	—
	<b>155 581</b>	—	<b>155 581</b>	—

Dividends paid by the Group excludes any dividends payable in respect of treasury shares. Dividends declared by the Group amounted to 50 cents per share during the financial year.

The Company declared dividends of R171,6 million, of which R155,6 million was paid externally. Total dividends distributed by the Company in the prior year amounted to Rnil.

### 30. RELATED PARTIES

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 balances and transactions with related parties are summarised below:

	Group 2024 R'000	Group 2023 R'000	Company 2024 R'000	Company 2023 R'000
<b>Related party balances</b>				
<b>Loans payable</b>				
<b>Subsidiary</b>				
Novus Print Proprietary Limited	—	—	34 884	457 162
Novus Packaging Proprietary Limited	—	—	5 229	—
Latiano 554 Proprietary Limited	—	—	16 533	—
<b>Loans receivable</b>				
<b>Associate</b>				
Mthembu Paper Mill Proprietary Limited	14 749	17 499	—	—
Mikateko Media Proprietary Limited	—	—	—	—
	<b>14 749</b>	17 499	—	—

The prior year loan from Novus Print Proprietary Limited is non-interest bearing and is payable on demand and has decreased since the prior year due to dividend distributions from Novus Print Proprietary Limited received via Paarl Media Holdings Proprietary Limited.

The loans from Novus Packaging Proprietary Limited and Latiano 554 Proprietary Limited are non-interest bearing and payable on demand.

## Notes to the annual financial statements (continued)

for the year ended 31 March 2024

### 30. RELATED PARTIES (continued)

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 shareholder's 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 R78,5 million (2023: R78,3 million) would be available including a secured debtors book amounting to R42,5 million (2023: R57,1 million) (as disclosed in note 38). A default rate of 2,5% was considered to determine an expected credit loss allowance on the loan receivable and is deemed immaterial.

	Group 2024 R'000	Group 2023 R'000	Company 2024 R'000	Company 2023 R'000
<b>Sales to related parties</b>				
<b>Associate</b>				
Mikateko Media Proprietary Limited	—	1 933	—	—
	—	1 933	—	—
<b>Rental income from related parties</b>				
<b>Associate</b>				
Mthembu Paper Mill Proprietary Limited	7 387	7 387	—	—
	7 387	7 387	—	—
<b>Purchases from related parties</b>				
Companies in which directors have a significant interest				
Mr A van der Veen : Bytefuse Proprietary Limited	1 774	—	—	—

### Directors emoluments

#### 2024

	Executive R'000	Non- executive R'000	Total R'000
Salaries	5 597	—	5 597
Incentive bonuses	1 742	—	1 742
Pension contributions	674	—	674
Fees for services as director	3 600	1 427	5 027
Total	11 613	1 427	13 040

The detail of directors' participation in share / SARs schemes is included in note 16.

## Notes to the annual financial statements (continued)

for the year ended 31 March 2024

### 30. RELATED PARTIES (continued)

The individual directors received the following remuneration and emoluments:

	Fees for services as director R'000	Salary R'000	Bonus and performance related payments R'000	Pension contributions R'000	Total R'000
<b>Executive directors</b>					
Mr A van der Veen*	3 600	—	—	—	3 600
Ms K Alwar*****	—	2 519	865	247	3 631
Mr C Wright*****	—	1 961	602	316	2 879
Ms K Julies*****	—	1 117	275	111	1 503
<b>Non-executive directors</b>					
Mr A Mayman	355	—	—	—	355
Ms M Mashologu**	176	—	—	—	176
Dr L Botha***	33	—	—	—	33
Ms L Mtanga	311	—	—	—	311
Mr A Zetler****	552	—	—	—	552
	<b>5 027</b>	<b>5 597</b>	<b>1 742</b>	<b>674</b>	<b>13 040</b>

\* Appointed as Chief Executive Officer effective 14 November 2023 after serving as Executive Chairman from 01 April 2023

\*\* Appointed to the Board effective 01 April 2023

\*\*\* Appointed to the Board effective 18 March 2024

\*\*\*\* Appointed as Chairman of the Board effective 14 November 2023

\*\*\*\*\* Appointed to the Board as Alternate Director effective 31 August 2023

\*\*\*\*\* Mr C Wright has been appointed as Chief Financial Officer of the Group effective 01 August 2023, after Ms K Alwar was promoted into the role of Chief Executive Officer for Maskew Miller Learning Proprietary Limited. Ms K Alwar serves on the Board as an executive director.

### Directors emoluments

#### 2023

	Executive R'000	Non-executive R'000	Total R'000
Salaries	6 664	—	6 664
Incentive bonuses	5 176	—	5 176
Pension contributions	856	—	856
Fees for services as director	—	1 993	1 993
Total	12 696	1 993	14 689

The detail of directors' participation in share / SARs schemes is included in note 16.

## Notes to the annual financial statements (continued)

for the year ended 31 March 2024

### 30. RELATED PARTIES (continued)

The individual directors received the following remuneration and emoluments:

	Fees for services as director R'000	Salary R'000	Bonus and performance related payments R'000	Pension contributions R'000	Total R'000
<b>Executive directors</b>					
Mr NW Birch*	—	4 369	4 543	631	9 543
Ms K Alwar	—	2 295	633	225	3 153
<b>Non-executive directors</b>					
Mr A Mayman	338	—	—	—	338
Ms N Mkhondo*	213	—	—	—	213
Dr P Mnganga*	624	—	—	—	624
Ms L Mtanga	296	—	—	—	296
Mr A van der Veen**	259	—	—	—	259
Mr A Zetler	263	—	—	—	263
	1 993	6 664	5 176	856	14 689

#### Notes

\* Resigned from the Board effective 31 March 2023.

\*\* Appointed as Executive Chairman on 01 April 2023.

#### Key management compensation

The total of executive directors' and key management emoluments amounted to R48,3 million (2023: R47,6 million); comprising short-term employee benefits of R46,6 million (2023: R47,2 million) and share-based payments of R1,7 million (2023: R0,4 million).

No other remuneration is paid to executive directors. Remuneration is earned for services rendered in conducting the business of the Group.

### 31. COMMITMENTS

	Group 2024 R'000	Group 2023 R'000	Company 2024 R'000	Company 2023 R'000
<b>Authorised capital expenditure</b>				
<b>Already contracted for but not provided for</b>				
- Property, plant and equipment	36 554	2 950	—	—

Capital commitments in the current year relates to machinery items within the Print and Packaging segments.

## Notes to the annual financial statements (continued)

for the year ended 31 March 2024

### 32. FINANCIAL RISK MANAGEMENT

All of the Group's financial assets are carried at amortised cost, apart from derivatives, which are held for hedging purposes. Similarly, all of the Group's financial liabilities are carried at amortised cost apart from derivatives, which are held for hedging purposes. CFDs are classified as financial assets and they are measured at fair value through profit and loss. The CFDs are not held for hedging purposes.

#### Capital risk management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern, so that it can continue to provide adequate returns for shareholders.

The Group manages its capital in proportion to risk. The Group manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares, or sell assets to reduce debt. The Group does not have a formal targeted debt to equity ratio.

The Company is illiquid but solvent. Management considers this reasonable as the loans payable to related parties are not expected to be called upon. The Company relies upon distributions, including dividends, from its subsidiaries to generate the funds necessary to meet the obligations of the Company.

#### Financial risk factors

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

The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance. The Group uses derivative financial instruments to hedge certain risk exposures. Risk management is carried out by a central treasury department (Group treasury) under policies approved by the directors. Group treasury identifies, evaluates and hedges financial risks in close co-operation with the Group's operating units. The directors provide written principles for overall risk management, as well as written policies covering specific areas, such as foreign exchange risk, interest rate risk, and credit risk, use of derivative financial instruments and non-derivative financial instruments, and investment of excess liquidity.

#### Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions. In terms of the Memorandum of Incorporation of the Group, no limitation is placed on its borrowing capacity. The facilities are held across Standard Bank, Investec Bank Limited and Mercantile.

## Notes to the annual financial statements (continued)

for the year ended 31 March 2024

### 32. FINANCIAL RISK MANAGEMENT (continued)

The Group had the following unutilised borrowing facilities at 31 March:

	Group 2024 R'000	Group 2023 R'000	Company 2024 R'000	Company 2023 R'000
On call	744 353	562 903	—	—
<b>Unutilised borrowing facilities per segment:</b>				
Print	726 491	557 570	—	—
Packaging	15 596	5 333	—	—
Other	2 266	—	—	—
<b>Expiring within one year:</b>				
	544 353	362 903	—	—
Standard Bank	49 923	42 697	—	—
Investec	478 834	300 000	—	—
Nedbank	—	15 277	—	—
Mercantile	15 596	4 929	—	—
<b>Expiring beyond one year:</b>				
	200 000	200 000	—	—
Investec	200 000	200 000	—	—

The facilities expiring within one year are subject to renewal at various dates during the next year.

## Notes to the annual financial statements (continued)

for the year ended 31 March 2024

### 32. FINANCIAL RISK MANAGEMENT (continued)

The following analysis details the Group and Company's non-derivative financial liabilities and derivative financial assets/ (liabilities) which will be settled on a gross basis, using working capital and unused credit facilities, into relevant maturity groupings based on the remaining period from the statement of financial position to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

Group	Carrying Amount R'000	Contractual cash flows R'000	0 to 12 months R'000	1 to 5 years R'000	Over 5 years R'000
<b>Non-derivative financial liabilities</b>					
<b>At 31 March 2024</b>					
Interest-bearing: Capitalised finance lease	25 929	29 347	11 052	18 295	—
Interest-bearing: Loans and other liabilities	401 014	499 938	133 317	366 621	—
Trade payables*	243 900	243 900	243 900	—	—
Accrued expenses and other current liabilities	191 870	191 870	191 870	—	—
Bank overdrafts	—	—	—	—	—
	<b>862 713</b>	<b>965 055</b>	<b>580 139</b>	<b>384 916</b>	<b>—</b>

Group	Carrying Amount R'000	Contractual cash flows R'000	0 to 12 months R'000	1 to 5 years R'000	Over 5 years R'000
<b>At 31 March 2023</b>					
Interest-bearing: Capitalised finance lease	33 822	40 470	10 902	29 568	—
Interest-bearing: Loans and other liabilities	481 109	539 254	336 605	202 649	—
Trade payables*	329 191	329 191	329 191	—	—
Accrued expenses and other current liabilities	119 768	119 768	119 768	—	—
Bank overdrafts	9	9	9	—	—
	<b>963 899</b>	<b>1 028 692</b>	<b>796 475</b>	<b>232 217</b>	<b>—</b>

\* Trade payables are usually settled within a period of 0 to 3 months.

Company	Carrying Amount R'000	Contractual cash flows R'000	0 to 12 months R'000	1 to 5 years R'000	Over 5 years R'000
<b>At 31 March 2024</b>					
Related party balances	56 646	56 646	56 646	—	—
	<b>56 646</b>	<b>56 646</b>	<b>56 646</b>	<b>—</b>	<b>—</b>
<b>At 31 March 2023</b>					
Related party balances	457 162	457 162	457 162	—	—
	<b>457 162</b>	<b>457 162</b>	<b>457 162</b>	<b>—</b>	<b>—</b>

## Notes to the annual financial statements (continued)

for the year ended 31 March 2024

### 32. FINANCIAL RISK MANAGEMENT (continued)

Group	Carrying Amount R'000	Contractual cash flows R'000	0 to 12 months	1 to 5 years R'000	Over 5 years R'000
<b>Derivative financial assets / (liabilities)</b>					
<b>At 31 March 2024</b>					
Forward exchange contracts					
- Outflow	3	3	3	—	—
- Inflow	—	—	—	—	—
	3	3	3	—	—
<b>At 31 March 2023</b>					
Forward exchange contracts					
- Outflow	3 684	(139 752)	(139 752)	—	—
- Inflow	—	143 436	143 436	—	—
	3 684	3 684	3 684	—	—

#### Credit risk

The Group is exposed to credit risk relating to the following assets:

##### *Financial assets at FVOCI and financial assets at amortised cost*

There is no concentration of credit risk within these financial assets and management monitors the credit risk regularly. No expected credit loss allowance has been raised on the financial assets at amortised cost due to payments being made as per contract with no historical write-offs relating to these assets.

##### *Trade and other receivables*

Trade receivables consist primarily of invoiced amounts from normal trading activities. Various credit checks are performed on new debtors to determine the quality of their credit history. These checks are also performed on existing debtors with long-overdue accounts. Furthermore, current debtors are monitored to ensure they do not exceed their credit limits on an ongoing basis. Consideration of credit risk across sectors and groups of customers are disclosed in note 8. Other receivables are assessed on a continuous basis to determine their risk of default. Management considers this risk to be low from the history of the counterparty settling its outstanding amounts by the due date and through monitoring of the sector that the counterparty operates in. Refer to note 1.8 and note 8 where the measurement and recognition of expected loss allowance on trade and other receivables is explained.

##### *Cash deposits and derivative assets*

The Group is exposed to certain concentrations of credit risk relating to its cash. It places its cash mainly with major banking groups and high-quality institutions that have high credit ratings. Cash is held to fund short-term working capital requirements. The Group's treasury policy is designated to limit exposure to any one institution and invests its excess cash in low-risk investment accounts. As at 31 March 2024 the Group held the majority of its cash, deposits and derivative assets with local banks with a "Ba2" (2023: "Ba2") credit rating (Moody's International's Long-term Deposit rating). The counterparties that are used by the Group are evaluated on a continuous basis.

##### **Foreign exchange risk**

The Group is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the Euro and the US Dollar. As the Group acquires a significant portion of the materials used in the printing process internationally, depreciation of the local currency against the Euro or US Dollar adversely affects the Group's earnings and its ability to meet cash obligations. The Group makes use of forward exchange contracts ("FECs") to hedge its exposure to foreign currency risk. Forward exchange contract transactions relate to the settlement of trade payables for the acquisition of inventory items. The Group generally covers forward 38% to 100% of firm commitments in foreign currency for up to one year. At year end the Group was at less than the 38% due to the ZAR trading in a narrow band. Forward exchange contracts are taken out between order date and 6 months prior to the order being placed and inventory on average is delivered within 3 months. Once the inventory is shipped, trade payables is settled between 1 and 4 months.

## Notes to the annual financial statements (continued)

for the year ended 31 March 2024

### 32. FINANCIAL RISK MANAGEMENT (continued)

Management has set up a policy to manage their foreign exchange risk against their functional currency. The Group companies are required to hedge their foreign exchange risk exposure with the Group treasury. To manage their foreign exchange risk arising from future commercial transactions and recognised assets and liabilities, entities in the Group use forward contracts, transacted with financial institutions. Foreign exchange risk arises when future commercial transactions or recognised assets or liabilities are denominated in a currency that is not the entity's functional currency.

The Group has classified its forward exchange contracts relating to forecast transactions and firm commitments as cash flow hedges and states them at fair value.

The Group separates the forward element and the spot price element of a forward exchange contract. The forward element is accounted for in finance income/costs (refer to notes 22 and 23). The spot price element is designated as the hedging instrument in a cash flow hedge, with the cumulative gain or loss recognised in the initial carrying amount of inventory and therefore recognised in cost of goods sold when the inventory is sold. Refer to note 21 for amounts recognised in cost of goods sold.

Hedge effectiveness is determined at the inception of the hedge relationship, and through periodic prospective effectiveness assessments, to ensure that an economic relationship exists between the hedged item and hedging instrument. A cumulative after-tax profit of R0,7 million (2023: R1,4 million) has been deferred in a hedging reserve at 31 March 2024. This amount is expected to realise over the next year. Changes in the fair value of forward exchange contracts that economically hedge monetary liabilities in foreign currencies and for which no hedge accounting is applied, are recognised in the income statement. Both the changes in fair value of the forward contracts and the foreign exchange gains and losses relating to the monetary items are recognised in profit and loss within the cost of sales, finance income and finance costs lines. The fair value of all forward exchange contracts at 31 March 2024 was an asset of Rnil (2023: R3,7 million liability).

The notional principal amounts of the outstanding forward exchange contracts for import purchases and export sales transactions at 31 March 2024 were R0,3 million (2023: R139,5 million).

There were no forecast purchases linked to FECs that were no longer considered highly probable. The hedged highly probable forecast transactions denominated in foreign currency are expected to occur at various dates during the next 12 months.

At 31 March 2024, if the currency had weakened/strengthened by 10% against the US dollar and Euro with all other variables held constant, comprehensive income for the year would have been R1,3 million (2023: R3,1 million) higher/lower due to Euro exposure and R1,5 million (2023: R3,3 million) higher/lower due to US dollar exposure, mainly as a result of foreign exchange gains or losses on translation of US dollar and Euro denominated foreign exchange contracts.

The Group's exposure to foreign currency risk at the end of the reporting period was as follows:

	<b>Group 2024 R'000</b>	Group 2023 R'000
Trade payables, denominated in Euro	<b>924</b>	1 227
Trade payables, Rand value	<b>18 953</b>	23 681
Trade payables, denominated in US dollars	<b>1 718</b>	1 031
Trade payables, Rand value	<b>32 554</b>	18 269

## Notes to the annual financial statements (continued)

for the year ended 31 March 2024

### 32. FINANCIAL RISK MANAGEMENT (continued)

#### Total FECs outstanding at year end (commitments to buy foreign exchange maturing within one year)

	Group 2024 R'000	Group 2023 R'000
<b>Total FECs outstanding at year-end (maturing within one year)</b>		
Denominated in Euro	11	3 650
Rand Value	5 796	69 683
Denominated in US Dollars	3	4 065
Rand Value	334	70 069
Hedge ratio	1:1	1:1

FEC's outstanding at-year end have maturity dates of April 2024.

	Group 2024 R'000	Group 2023 R'000
<b>Derivative financial assets - Current portion</b>		
Foreign exchange contracts	3	4 401
	3	4 401
<b>Derivative financial liabilities - Current portion</b>		
Foreign exchange contracts	—	717
	—	717
	<b>R</b>	<b>R</b>
<b>Average forward exchange rates for FECS outstanding at year-end (maturing within one year)</b>		
Euro	20,45	19,09
US Dollar	18,89	17,24
	<b>R</b>	<b>R</b>
<b>Exchange rates used for conversion of foreign items were:</b>		
Euro	20,50	19,30
US Dollar	18,99	17,72

The Group reviews its foreign currency exposure, including commitments on an ongoing basis. The Group expects its foreign exchange contracts to hedge foreign exchange exposure.

## Notes to the annual financial statements (continued)

for the year ended 31 March 2024

### 32. FINANCIAL RISK MANAGEMENT (continued)

#### Interest rate risk

During the prior year the Group entered into a funding agreement due to the acquisition of its subsidiary, Maskew Miller Learning Proprietary Limited and obtained funding amounting to R500 million with a weighted average year-end interest rate: 10.10% linked to 3 month JIBAR. The Group also has a policy in place to reduce this risk should the need arise for future external borrowings. The Group would manage this process by ensuring a mix between fixed and floating borrowings, the interest rate characteristics of new borrowings and the refinancing of existing borrowings are positioned according to expected movements in interest rates. Where appropriate, the Group would consider the use of derivative instruments, such as interest rate swap agreements, purely for hedging purposes. There has however been no swap agreements entered into during the financial year.

At 31 March 2024, if the Group's interest rates on Rand-denominated borrowings had been 1% higher/lower with all other variables held constant, post-tax profit for the year would have been R3,2 million (2023: R0,9 million) lower/higher, mainly as a result of higher/lower interest expense on floating rate borrowings.

#### Price risk

The Group is exposed to price risk in relation to its investment in CFDs acquired during the current financial period.

The directors provide written principles for overall risk management, as well as written policies covering specific areas, such as price risk over these types of investments.

At 31 March 2024, if the underlying securities to which the CFDs relate value fluctuated by 1% higher/lower with all other variables held constant, there would be no material change to post-tax profit for the year due to the fair value gain or loss recognised thereon.

## Notes to the annual financial statements (continued)

for the year ended 31 March 2024

### 33. FAIR VALUE ESTIMATION OF FINANCIAL INSTRUMENTS

The fair values, which approximate the carrying values, net gains and losses recognised in profit and loss, total interest income, total interest expense, and impairment of each class of financial instrument are as follows:

**31 March 2024**

	GROUP			
	Carrying value R'000	Net gains/(losses) recognised in profit and loss R'000	Total interest income R'000	Impairment R'000
<b>Assets</b>				
Financial assets at fair value through other comprehensive income	3 034	—	—	—
Other financial assets at amortised cost	6 505	—	646	—
Financial assets at fair value through profit or loss	13 678	1 713	—	—
Receivables and loans	498 289	—	893	7 692
Trade receivables	466 166	—	893	7 692
Other receivables	17 374	—	—	—
Related party receivables	14 749	—	—	—
Derivative financial instruments	3	14 467	—	—
Foreign exchange contracts	3	14 467	—	—
Cash and cash deposits	871 368	—	43 531	—
<b>Total</b>	<b>1 392 877</b>	<b>16 180</b>	<b>45 070</b>	<b>7 692</b>

	GROUP			
	Carrying value R'000	Net gains/(losses) recognised in profit and loss R'000	Total interest expense R'000	Impairment R'000
<b>Liabilities</b>				
Long-term liabilities	326 845	—	55 193	—
Interest-bearing: capitalised finance leases	16 659	—	3 009	—
Interest-bearing: loans and other	310 186	—	52 184	—
Short-term payables and loans	535 868	(10 290)	1 139	—
Interest-bearing: capitalised finance leases	9 270	—	—	—
Interest-bearing: loans and other	90 828	—	—	—
Trade payables	243 900	(10 290)	1 139	—
Accrued expenses and other current liabilities	191 870	—	—	—
Derivatives	—	—	—	—
Foreign exchange contracts	—	—	—	—
Bank overdrafts and call loans	—	—	5 290	—
<b>Total</b>	<b>862 713</b>	<b>(10 290)</b>	<b>61 622</b>	<b>—</b>

## Notes to the annual financial statements (continued)

for the year ended 31 March 2024

### 33. FAIR VALUE ESTIMATION OF FINANCIAL INSTRUMENTS (continued)

The fair values, together with the carrying values, net gains and losses recognised in profit and loss, total interest income, total interest expense, and impairment of each class of financial instrument are as follows:

**31 March 2023**

	GROUP			
	Carrying value R'000	Net gains/(losses) recognised in profit and loss R'000	Total interest income R'000	Impairment R'000
<b>Assets</b>				
Financial assets at fair value through other comprehensive income	3 049	–	–	–
Other financial assets at amortised cost	570	–	176	–
Receivables and loans	529 955	–	330	7 185
Trade receivables	490 439	–	330	11 335
Other receivables	22 017	–	–	(4 150)
Related party receivables	17 499	–	–	–
Derivative financial instruments	4 401	60 302	–	–
Foreign exchange contracts	4 401	60 302	–	–
Cash and cash deposits	392 233	–	20 778	–
<b>Total</b>	<b>930 208</b>	<b>60 302</b>	<b>21 284</b>	<b>7 185</b>
	Carrying value R'000	Net gains/(losses) recognised in profit and loss R'000	Total interest expense R'000	Impairment R'000
<b>Liabilities</b>				
Long-term liabilities	189 394	–	32 348	–
Interest-bearing: capitalised finance leases	25 793	–	3 233	–
Interest-bearing: loans and other	163 601	–	29 115	–
Short-term payables and loans	774 496	(71 609)	323	–
Interest-bearing: capitalised finance leases	8 029	–	–	–
Interest-bearing: loans and other	317 508	–	–	–
Trade payables	329 191	(71 609)	323	–
Accrued expenses and other current liabilities	119 768	–	–	–
Derivatives	717	–	–	–
Foreign exchange contracts	717	–	–	–
Bank overdrafts and call loans	9	–	3 743	–
<b>Total</b>	<b>964 616</b>	<b>(71 609)</b>	<b>36 414</b>	<b>–</b>

## Notes to the annual financial statements (continued)

for the year ended 31 March 2024

### 33. FAIR VALUE ESTIMATION OF FINANCIAL INSTRUMENTS (continued)

The fair value levels of hierarchy are as follows:

**Level 1** fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities.

**Level 2** fair value measurements are those derived from inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices). The fair value of financial instruments that are not traded in an active market (for example, derivatives such as interest rate swaps, foreign exchange contracts and certain options) is determined through valuation techniques. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

**Level 3** fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

#### At 31 March 2024

	GROUP			
	Level 1 R'000	Level 2 R'000	Level 3 R'000	Total R'000
<b>Assets</b>				
Financial assets at fair value through other comprehensive income	1	3 033	—	3 034
Financial assets at fair value through profit or loss	13 678	—	—	13 679
Derivative financial instruments*	—	3	—	3
Related party loan receivables**	—	—	14 749	14 749
	13 679	3 036	14 749	31 464
<b>Liabilities</b>				
Derivative financial instruments*	—	—	—	—
	—	—	—	—

#### At 31 March 2023

	GROUP			
	Level 1 R'000	Level 2 R'000	Level 3 R'000	Total R'000
<b>Assets</b>				
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
<b>Liabilities</b>				
Derivative financial instruments*	—	717	—	717
	—	717	—	717

There have been no transfers between levels in the current and prior year.

\* Financial assets/liabilities carried at fair value.

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

## Notes to the annual financial statements (continued)

for the year ended 31 March 2024

### 33. FAIR VALUE ESTIMATION OF FINANCIAL INSTRUMENTS (continued)

#### Valuation techniques and key inputs used to measure significant level 2 fair values

*Derivative financial instruments (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.

#### Price risk

The Group is not exposed to significant price risk in relation to its financial assets at fair value through profit or loss. Refer to note 32 for foreign exchange risk management in relation to foreign exchange contracts.

### 34. FINANCIAL INSTRUMENTS BY CATEGORY

Financial instruments disclosed in the statement of financial position include interest-bearing borrowings, financial assets, cash and cash equivalents, trade and other receivables and trade and other payables.

The following is a summary of financial instrument categories applicable to the Group:

#### Financial assets

	Notes	Financial assets at amortised cost R'000	Fair value through profit or loss R'000	Financial assets at FVOCI R'000	Total R'000
<b>2024</b>					
Financial assets at fair value through other comprehensive income		—	—	3 034	3 034
Financial assets at fair value through profit or loss		—	13 678	—	13 678
Other financial assets at amortised cost		6 505	—	—	6 505
Trade and other receivables	8	483 540	—	—	483 540
Related party receivables		14 749	—	—	14 749
Derivative financial instruments		—	3	—	3
Cash and cash equivalents		871 368	—	—	871 368
		<b>1 376 162</b>	<b>13 681</b>	<b>3 034</b>	<b>1 392 877</b>
<b>2023</b>					
Financial assets at fair value through other comprehensive income		—	—	3 049	3 049
Other financial assets at amortised cost		570	—	—	570
Trade and other receivables	8	512 456	—	—	512 456
Related party receivables		17 499	—	—	17 499
Derivative financial instruments		—	4 401	—	4 401
Cash and cash equivalents		392 233	—	—	392 233
		<b>922 758</b>	<b>4 401</b>	<b>3 049</b>	<b>930 208</b>

## Notes to the annual financial statements (continued)

for the year ended 31 March 2024

### 34. FINANCIAL INSTRUMENTS BY CATEGORY (continued)

#### Financial liabilities

	Financial liabilities at amortised cost R'000	Fair value through profit or loss R'000	Financial assets at FVOCI R'000	Total R'000
<b>2024</b>				
Borrowings and lease liabilities	426 943	—	—	426 943
Trade and other payables	435 770	—	—	435 770
Derivative financial instruments	—	—	—	—
Bank overdrafts	—	—	—	—
	<b>862 713</b>	<b>—</b>	<b>—</b>	<b>862 713</b>
<b>2023</b>				
Borrowings and lease liabilities	514 931	—	—	514 931
Trade and other payables	448 959	—	—	448 959
Derivative financial instruments	—	717	—	717
Bank overdrafts	9	—	—	9
	<b>963 899</b>	<b>717</b>	<b>—</b>	<b>964 616</b>

### 35. GOING CONCERN

As at 31 March 2024, the Company has current assets amounting to R0,4 million (2023: R0,1 million) and current liabilities amounting to R56,6 million (2023: R457,1 million) resulting in an illiquid position. The loan payable to Novus Print Proprietary Limited has decreased since the prior year due to dividend distributions from Novus Print Proprietary Limited received via Paarl Media Holdings Proprietary Limited. The current loan payable relates to dividends declared during the current year to subsidiaries within the Group, which is not expected to be called upon, but it is the intention that future dividend distributions from the subsidiary companies would be used as repayment of the related party loan payables. Due to this, it has been concluded that the Company will continue as a going concern.

The Group has experienced improved performance compared to the prior year due to the inclusion of the Education segment for a 12-month period and recovery of previously reported excessive paper price increases during the prior year in the Print segment. Impairments during the current year amounted to R24,5 million (2023: R22,1 million). 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 2024, the Group is in a strong liquidity position with a positive closing cash balance of R871,3 million (2023: R392,2 million) and unutilised short and medium-term borrowing facilities of R744,3 million (2023: R562,9 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.

## Notes to the annual financial statements (continued)

for the year ended 31 March 2024

### 36. DIRECTORS' INTERESTS IN SHARE CAPITAL AND TRANSACTIONS

Other than as disclosed in notes 16 and 30 no director of the Company nor any director of any of its subsidiaries has or had any beneficial interest, directly or indirectly, in any transaction which is, or was, material to the business of Novus Holdings Limited and which was effected by Novus Holdings Limited during the current financial year or the immediately preceding financial year or in respect of any previous financial year which remains in any respect outstanding or unperformed.

The below directors have direct and indirect interests in Novus Holdings Limited ordinary shares on 31 March 2024 as at date of issue of these annual financial statements. Detail of directors' participation in share / SARs schemes is included in note 16.

#### Directors interests in shares

As at 31 March 2024

	Direct	Indirect*	Total
<b>Executive</b>			
- A van der Veen	—	209 526 689	209 526 689
- C Wright	—	488 887*	488 887
- K Alwar	8 210	475 343*	483 553
- K Julies	—	74 844*	74 844
<b>Non-executive</b>			
- A Zetler	148	209 526 689	209 526 837
- M Mashologu	—	10 700 298	10 700 298
<b>Total</b>	<b>8 358</b>	<b>221 266 061</b>	<b>221 274 419</b>

\* Unexercised options held by executive directors in terms of the Company's share appreciation rights scheme, on the basis that one option does not equal one Novus Holdings Limited Share, which do not carry economic or voting rights.

#### Directors interests in shares

As at 31 March 2023

	Direct	Indirect*	Total
<b>Executive</b>			
- NW Birch	181 838	2 940 870*	3 122 708
- K Alwar	8 210	605 829*	614 039
<b>Non-executive</b>			
- A van der Veen	—	168 440 535	168 440 535
- A Zetler	148	168 440 535	168 440 683
<b>Total</b>	<b>190 196</b>	<b>171 987 234</b>	<b>172 177 430</b>

\* Unexercised options held by executive directors in terms of the Company's share appreciation rights scheme, on the basis that one option does not equal one Novus Share, which do not carry economic or voting rights.

There have been no changes in the directors' shareholdings from the year end to the date of this report.

## Notes to the annual financial statements (continued)

for the year ended 31 March 2024

### 37. BUSINESS COMBINATION

On 01 October 2023, Novus Holdings Limited, through its wholly-owned subsidiary, Novus Packaging Proprietary Limited acquired 100% of the issued share capital of Integrity Control Systems Proprietary Limited for a purchase consideration of R13,9 million. Integrity Controls Systems operates within the sealing, security packaging, tagging and tracking technology arena. The acquisition creates synergies with the Group's existing Packaging segment.

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

	Notes	Group 2024 R'000
Property, plant and equipment	2	71
Inventory		4 208
Cash and cash equivalents		1 910
Trade and other receivables		7 897
Trade and other payables		(7 941)
Deferred taxation		197
<b>Net identifiable assets acquired</b>		<b>6 342</b>
<b>Net assets acquired</b>		<b>6 342</b>
Goodwill		7 611
<b>Cash consideration paid</b>		<b>13 953</b>
<b>Purchase consideration - cash outflow</b>		
Cash consideration paid		13 953
Less Cash balances acquired		(1 910)
<b>Net cash outflow per statement of cash flows</b>		<b>12 043</b>

#### *Goodwill recognised*

Goodwill of R7,6 million was recognised, due to the consideration paid being more than the fair value of the assets acquired. Synergies are expected to be created due to the merger within the Packaging segment.

#### *Acquired receivables*

The fair value of acquired trade receivables is R7,8 million.

#### *Revenue and profit contribution*

The acquired business on a stand-alone basis contributed revenue of R21,9 million and net profit after tax of R2,2 million to the Group for the period 01 October 2023 to 31 March 2024.

If the acquisition had occurred on 01 April 2023, Group consolidated pro-forma revenue and profit after tax for the year ended 31 March 2024 would have been R3 980 million and R251 million respectively.

## Notes to the annual financial statements (continued)

for the year ended 31 March 2024

### 38. INVESTMENT IN ASSOCIATES

The following information relates to the Group's financial interest in associates.

Mthembu Paper Mill Proprietary Limited has a 28 February year-end. All associates are incorporated in South Africa. Associates are accounted for using the equity method.

Name of company	Nature of business	Effective interest	Effective interest	Group Carrying Amount	Group Carrying Amount
		2024	2023	2024	2023
		%	%	R'000	R'000
Mikateko Media Proprietary Limited	Publishing	0,00	49,00	—	—
Mthembu Paper Mill Proprietary Limited	Tissue manufacturing	49,00	49,00	13 787	11 197
				13 787	11 197

	Mthembu Paper Mill Proprietary Limited	
	Group 2024	Group 2023
	R'000	R'000
<b>Opening balance</b>	11 197	12 058
Equity accounted earnings/(loss)	2 590	(861)
Dividends received	—	—
<b>Closing balance</b>	13 787	11 197

The investment in Free 4 All Proprietary Limited was purchased for R2,7 million effective 15 December 2020 and was impaired to nil in the prior periods. During the current financial year, effective 01 June 2023, Novus Print Proprietary Limited acquired an additional 51% interest in Free 4 All Proprietary Limited for a consideration of R1. There was a gain on bargain purchases that arose on the transaction of R0,7 million. Free 4 All Proprietary Limited is therefore a subsidiary of the Group and accounted for within the consolidated records.

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 the Company. The investment in Mthembu Paper Mill was recognised at R19,2 million on 01 October 2020. No impairment was considered necessary for the investment in Mthembu Paper Mill Proprietary Limited in the prior year or current year.

The investment in Mikateko Media Proprietary Limited were disposed of during the financial year. The investment was carried at Rnil due to it being impaired in full during the prior years.

## Notes to the annual financial statements (continued)

for the year ended 31 March 2024

### 38. INVESTMENT IN ASSOCIATES (continued)

The summarised financial information for Mthembu Paper Mill Proprietary Limited at 31 March is set out below:

	Group 2024 R'000	Group 2023 R'000
<b>Summarised statement of financial position</b>		
Non-current assets	118 862	119 740
Current assets	78 513	78 310
Non-current liabilities	50 185	53 894
Current liabilities	107 715	110 007
<b>Net assets</b>	<b>39 475</b>	<b>34 149</b>
<b>Summarised statement of comprehensive income</b>		
Revenue	379 622	377 911
Profit/(loss) for the period	5 324	(1 773)
<b>Reconciliation to carrying amount:</b>		
<b>Opening net assets</b>	<b>34 149</b>	<b>35 922</b>
Profit/(loss) for the period	5 324	(1 773)
<b>Closing net assets</b>	<b>39 473</b>	<b>34 149</b>
Group's direct interest in associate (at year-end)	49%	49%
Carrying value of investment (at year-end)	13 787	11 197

### 39. INVESTMENT PROPERTY

	Notes	Group 2024 R'000	Group 2023 R'000
<b>Opening balance</b>		<b>62 317</b>	62 764
Transfer from owner-occupied property		—	1 290
Depreciation	21	(1 766)	(1 737)
<b>Closing balance</b>		<b>60 551</b>	62 317
Cost		66 326	66 326
Accumulated depreciation and impairment		(5 775)	(4 009)

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 R94,2 million based on an independent property valuation obtained.

Rental income of R7,4 million (2023: R7,4 million) was recognised related to the property. All property related costs are on charged to the lessee.

## Notes to the annual financial statements (continued)

for the year ended 31 March 2024

### 40. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT AND LOSS

	Group 2024 R'000	Group 2023 R'000
<b>Opening balance</b>	—	—
Additions	13 678	—
Fair value adjustments	1 713	—
Reclassification to other assets*	(1 713)	—
<b>Closing balance</b>	<b>13 678</b>	—

*Fair value through profit or loss financial assets include the following:*

**Listed entities:**

Instruments in the form of Contracts for Differences ("CFDs")	13 678	—
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Financial assets at fair value through profit or loss includes the Group's strategic investments in listed entities that is held for trading and therefore classified at fair value through profit or loss.

\* Fair value gains/(losses) on the CFDs are capitalised against funds available for trading and immediately available for withdrawal. Subsequently this has been reclassified to cash equivalents.

### 41. NON-CONTROLLING INTERESTS

Maskew Miller Learning Proprietary Limited ("MML"), a 75% owned subsidiary of the Group, has a material non-controlling interest. The 10 742 ordinary shares held by Novus Print Proprietary Limited translates to 75% voting rights and 94% economic rights (refer to note 5).

On 30 November 2022, the Group recognised non-controlling interests in 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.

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 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 Proposed 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 within the records of MML. The equity settled share-based payment was recognised as non-controlling interest in the statement of financial position.

	R'000
<b>Reconciliation of non-controlling interest recognised at acquisition:</b>	
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
	<b>65 016</b>

## Notes to the annual financial statements (continued)

for the year ended 31 March 2024

### 41. NON-CONTROLLING INTERESTS (continued)

Effective 14 March 2023, there was an increase in the non-controlling interests shareholding from 3,23% to 5,99% in Maskew Miller Learning Proprietary Limited via a repurchase of 326 accelerated empowerment shares and the subsequent issue of 326 ordinary shares for a consideration amount of R3,3 million.

Sphere holds 2 571 AE shares in MML which gives them 22.5% voting rights. These AE shares are subject to a notional vendor funding arrangement and will become economically equivalent to ordinary shares including dividend rights once the NAFA is repaid. Refer to note 25 for the impact of the future conversion on EPS and HEPS for the Group.

During the current year, movements in the non-controlling interest were as follows:

	Group 2024 R'000
Opening balance	46 836
Minority interests' proportionate share in profit for the year	11 204
Dividends paid to minorities	(24 064)
Closing balance	33 976

Summarised financial information of MML is presented in note 26 of the Notes to the Annual Financial Statements under the Education segment.

### 42. EVENTS AFTER REPORTING DATE

Subsequent to year-end, the Group entered into an agreement for the purchase of a stake in Bytefuse Proprietary Limited, a company that develops machine learning and artificial intelligence technology, for application in various fields.

As at the date of this report, all suspensive conditions have been fulfilled. Once payment has been made and securities transferred, the Group will own 48,58% of the ordinary shares, 78,93% of the investor preference shares and 50,43% of the founder preference shares in Bytefuse Proprietary Limited.

The Board approved dividend No. 6 of 50 cents per share (2023: Rnil). The source of the dividend is from distributable reserves and will be paid in cash. The dividend declared is subject to dividend withholding tax at 20,0%. The tax payable is 10 cents per share, leaving shareholders who are not exempt from dividends tax with a net dividend of 40 cents per share.

The issued share capital of Novus Holdings at the declaration date comprises 343 183 023 shares.

The Company's income tax reference number is 9656/360/15/4.

The salient dates for the dividend are:

Last day to trade ( <i>cum</i> dividend)	Tuesday, 2 July 2024
Trading <i>ex</i> dividend commences	Wednesday, 3 July 2024
Record date	Friday, 5 July 2024
Closing balance	Monday, 8 July 2024

Share certificates may not be dematerialised or rematerialised between Wednesday, 3 July 2024 and Friday, 5 July 2024, both dates inclusive.

Other than 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.

## Analysis of shareholders

Size of holdings	Number of shareholders	Number of shares owned
1 - 1,000	4 943	862 594
1,001 - 50,000	1 225	13 385 105
50,001 - 100,000	116	8 684 967
100,001 - 10,000,000	123	47 546 126
10,000,001 and above	8	272 704 231
	6 415	343 183 023

The following shareholders hold 5% or more of the issued share capital of the company.

Name	% held	Number of shares owned
Peresec Prime Brokers Proprietary Limited	29,01%	99 549 191
A <sup>2</sup> Investment Partners Proprietary Limited	28,49%	97 770 533
Novus Holdings Share Trust	6,28%	21 560 590

### Public shareholder spread

To the best of the knowledge of the Board, the spread of public shareholders in terms of paragraph 4.25 of the JSE Limited Listings Requirements at 31 March 2024 was 33.17%, represented by 6 410 shareholders holding 113 836 751 shares in the Company. The non-public shareholders of the Company comprising 5 shareholders representing 229 346 272 ordinary shares are analysed as follows:

Non-public shareholders	Number of shares	% of issued share capital
A <sup>2</sup> Investment Partners Proprietary Limited	97 770 533	28,49%
Novus Print Proprietary Limited	745	0,00%
Novus Holdings Share Trust	21 560 590	6,28%
Peresec Prime Brokers Proprietary Limited	99 549 191	29,01%
Novus Packaging Proprietary Limited	10 465 213	3,05%
	229 346 272	66,83%