



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

Registration Number: 2008/011165/06

### **Unaudited Consolidated Interim Financial Statements**

for the six months ended 30 September 2024

Novus Holdings Limited  
Incorporated in the Republic of South Africa  
(Registration number: 2008/011165/06)  
JSE share code: NVS  
ISIN: ZAE000202149  
("Novus Holdings" or "the Group")

## Unaudited interim results for the six months ended 30 September 2024

### SALIENT FEATURES

- Revenue up 3,3% to R2 088 million (2023: R2 022 million)
- Operating profit\* up to R196,4 million (2023: R168,6 million)
- Headline earnings per share increased to 59,36 cents per share (2023: 28,77 cents per share)
- Earnings per share increased to 59,46 cents per share (2023: 31,61 cents per share)
- Diluted headline earnings per share\*\* increased to 55,56 cents per share (2023: 25,01 cents per share)
- Diluted earnings per share\*\* increased to 55,65 cents per share (2023: 27,85 cents per share)
- Net asset value per share increased to 728,27 cents per share (2023: 719,92 cents per share)
- Closing cash position of R310,0 million (2023: R621,1 million).
- No dividends have been declared for the six months ended 30 September 2024 (2023: Rnil)

\* Operating profit/(loss) excluding "other gains/(losses)".

\*\* 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 Maskew Miller Learning Proprietary Limited, which will result in increased earnings attributable to non-controlling interest.

### PERFORMANCE OVERVIEW

The financial results for the six months ended 30 September 2024 ("period") improved when compared to the prior period, largely through an improvement in the profitability of the Print Segment and profits from derivative instruments held in Mustek Limited ("Mustek"), within the Packaging Segment.

Group revenue increased by R66 million (3,3%) from R2 022 million to R2 088 million. The Education and Packaging segments increased by 10,0% and 10,1% respectively, while the Print Segment decreased by 0,9%. The revenue recognition of the Department of Basic Education ("DBE") contract in the Print Segment was consistent with the prior year, with more than half of the contract recognised at 30 September 2024. The Education Segment benefited from orders received this reporting period, which were historically processed in the second half of the year.

Operating profit\* increased to R196,4 million (2023: R168,6 million) and gross profit margin increased to 30,2% (2023: 28,7%), driven by improved margins in the Print Segment.

No retrenchment costs were recognised in the period compared to R1 million the prior period. Loadshedding costs for the period decreased to R1,5 million from R9,6 million in the prior year. Operating costs for the period include an increase of R25,8 million (2023: R27,5 million) in the expected credit loss provision.

The current period includes a profit of R59,7 million from derivative instruments held in Mustek and a profit of R0,4 million on the sale of property, plant and equipment, while the prior year includes a profit of R12,2 million on the sale of non-current assets held for sale and a loss of R0,7 million on the sale of property, plant and equipment. No fixed asset impairments were recognised in either period.

### Print

Revenue (including inter-segmental revenue) decreased by 1,9% to R1 331 million (2023: R1 357 million) and operating profit\* increased to R86,3 million (2023: R34,9 million). Gross profit margin improved to 23,1% from 20,9%, largely due to the prior year including the effect of higher priced paper stocks. A conscious decision was taken to reduce slow moving paper inventory and this use of sub-optimal paper inventory came at a cost of R3 million, in the current year. Operating costs for the period include an increase in the expected credit loss provision of R13,6 million (2023: R25,3 million) and loadshedding costs of R1,5 million (2023: R9,5 million).

Overall print volumes were down 5%, however excluding the DBE contract, volumes were down 10,7%. Book volumes, including DBE, were consistent with prior year and comprised just over 50% of the volumes for Print. Volumes on newspapers, magazines and retail inserts all declined on the prior year.

### Education

Revenue increased by 10,0% to R447,2 million (2023: R406,5 million) following the recording of revenue that was historically processed in the second half of the year. Historically, orders from the Limpopo province were placed during the second half of the year. However, this year's volumes are expected to be significantly lower compared to the prior year. We are engaging with the DBE to understand their thinking on curriculum reform, but our expectation is that the full year performance of the education segment will be lower than the prior year.

Operating profit\* decreased to R90,4 million (2023: R105,9 million). Operating costs for the period include an increase in the expected credit loss provision of R15,8 million (2023: R2,2 million) and R15 million of additional costs on people and new or updated content to respond to the curriculum reform. We expect a further R50 million to be incurred in the next six months in order to submit updated content.

### Packaging

Revenue increased by 10,1% to R368,0 million (2023: R334,4 million) with both ITB and Novus Labels up on the prior year.

Gross margin decreased from 19,2% to 18,2% with the segment achieving an operating profit\* of R35,7 million, representing a decrease of 7,4% compared to R38,6 million in the prior period. This is predominantly from additional depreciation of R1,7 million on increased capacity.

## CASH GENERATION

The Group closed the period with a cash balance of R310,0 million, a decrease of R561,4 million for the six months. The first half of the financial year typically sees the Group invest substantially in working capital to fund seasonal demand and to deliver on the DBE contract. The DBE contract was invoiced one month later than in the prior year, having a negative impact of circa R600 million on the cash balance as at 30 September 2024. The payment was received in October 2024.

Due to the later timing of the invoicing of the DBE contract, the Group was in a net debt position of R172 million as at 30 September 2024.

Capital and interest repayments on the outstanding loan balance in the period amounted to R66,6 million with an external dividend of R10,3 million paid to the non-controlling shareholders of Maskew Miller Learning Proprietary Limited ("MML").

Capital expenditure was modest at R27,2 million with spend directed toward maintenance of current plant and equipment with proceeds from asset sales in the period of R0,5 million.

Taxation paid in the period amounted to R60,1 million.

## ACQUISITIONS

The Group has finalised the acquisition of three divisions of Media24 Proprietary Limited, being: On the Dot (media supply chain management division), Community Newspapers (local news portfolio) and Soccer Laduma and Kick Off (football publication division), for a total purchase consideration of R40 million. R20 million was paid on the effective date and the balance is payable one year from the effective date. This acquisition will require an initial investment in working capital, but is expected to result in a contribution to Group profits and earnings per share.

The R59,7 million profit from derivative instruments during the six month period relates to derivative instruments held in Mustek. Subsequently, the Group has acquired the ordinary shares in Mustek and now owns just over 35% of the issued share capital of Mustek. The Group has therefore made a mandatory offer to the remaining shareholders, on the terms and conditions set out in the firm intention announcement published on SENS on 15 November 2024, as follows:

- A cash consideration of R13 per share; or
- A cash amount of R7 per share plus one ordinary share in Novus Holdings; or
- Two Novus Holdings shares for each Mustek share tendered.

## OUTLOOK

The Print Segment has secured the DBE contract for a further two years. The Group will continue to optimise and restructure the Print business, where an ongoing decline in print volumes places pressure on margins and the recovery of fixed costs. Paper prices have returned to normal fluctuations, following a period of energy surcharges and premiums on shipping rates.

The Education segment saw MML, invest in both people and processes to maintain their share of the national textbook market. The Group's AI associate, Bytefuse Proprietary Limited, has also been actively investing in the development of Maski, MML's AI tool, with the investment expected to grow in the future. We expect that the curriculum update will negatively affect orders in the second half of the financial year, with the result that MML sales will decline from prior year.

The Packaging segment successfully commissioned the expanded production capacity within the period, enabling them to grow market share and improve production efficiencies. Import lead cycles remain a challenge, resulting in an increase in investment in working capital to mitigate this risk.

The Mustek acquisition reflects the Groups transition to a more diversified investment holding company, which has its benefits and disadvantages. The most significant disadvantage is that the underlying investments often trade at a discount, but, as an active shareholder, we are confident in our ability to add value to our underlying investments which will be positive for our shareholders.

Novus Holdings is proud to have achieved a B-BBEE Level One Contributor status and will continue with initiatives to transform and maintain its status.

The board of directors of Novus Holdings ("the Board") wishes to express its appreciation to management and all staff for their continued efforts.

On behalf of the Board

**Adrian Zetler**

*Chairman*

Cape Town

22 November 2024

## Consolidated statement of financial position

		30 September 2024 Unaudited R'000	30 September 2023 Unaudited R'000	31 March 2024 Audited R'000
<b>Assets</b>				
<b>Non-current assets</b>				
		<b>1 263 013</b>	1 343 442	1 319 503
Property, plant and equipment	12	755 409	734 502	763 571
Investment property		59 667	61 434	60 551
Goodwill	5	87 823	80 212	87 823
Intangible assets	13	244 277	373 430	308 849
Financial assets at fair value through other comprehensive income		3 025	5 740	3 034
Investment in associates	19	42 855	15 116	13 787
Other financial assets at amortised cost		5 891	428	4 907
Deferred taxation assets		64 066	72 580	76 981
<b>Current assets</b>				
		<b>2 555 624</b>	2 345 850	1 978 456
Inventory	15	595 953	754 241	474 967
Intangible assets - product development	13	20 522	47 096	37 462
Trade and other receivables	15	1 454 546	765 721	538 710
Related party receivables		19 578	18 976	14 749
Contract assets	15	114 708	116 417	6 748
Derivative financial instruments	17	—	—	3
Cash and cash equivalents		309 969	621 061	871 368
Current income tax receivable		14 879	22 338	19 173
Other financial assets at amortised cost		—	—	1 598
Financial assets at fair value through profit or loss		25 469	—	13 678
<b>Total Assets</b>		<b>3 818 637</b>	3 689 292	3 297 959
<b>Equity and Liabilities</b>				
<b>Capital and reserves attributable to the Group's equity holders</b>				
		<b>2 251 962</b>	2 271 335	2 211 749
Share capital		438 337	504 762	449 199
Treasury shares		(309 537)	(341 207)	(331 385)
Other reserves		(112 395)	(107 506)	(111 661)
Retained earnings		2 235 557	2 215 286	2 205 596
Non-controlling interest		27 418	37 747	33 976
<b>Total Equity</b>		<b>2 279 380</b>	2 309 082	2 245 725
<b>Liabilities</b>				
<b>Non-current liabilities</b>				
		<b>187 249</b>	517 513	446 823
Post-employment medical liability		21 370	23 431	24 119
Provisions		10 714	8 752	8 534
Borrowings and lease liabilities	18	67 608	375 869	326 845
Deferred taxation liabilities		85 351	106 741	84 658
Deferred grant income		2 206	2 720	2 667
<b>Current liabilities</b>				
		<b>1 352 008</b>	862 697	605 411
Post-employment medical liability		1 798	1 798	1 838
Current portion of borrowings and lease liabilities	18	443 037	95 665	100 098
Trade and other payables	15	906 463	763 920	502 765
Deferred grant income		710	1 314	710
<b>Total Equity and Liabilities</b>		<b>3 818 637</b>	3 689 292	3 297 959

## Consolidated income statement and statement of comprehensive income

	Note	30 September 2024 Unaudited R'000	30 September 2023 Unaudited R'000	31 March 2024 Audited R'000
<b>Consolidated income statement</b>				
<b>Revenue</b>	6	<b>2 088 484</b>	2 022 284	3 962 436
Cost of sales		<b>(1 456 728)</b>	(1 441 001)	(2 825 228)
<b>Gross profit</b>		<b>631 756</b>	581 284	1 137 208
Operating expenses		<b>(435 380)</b>	(412 696)	(743 740)
Other gains/(losses)		<b>64 930</b>	12 722	(11 139)
<b>Operating profit</b>		<b>261 306</b>	181 310	382 329
Finance income	7	<b>40 200</b>	16 060	45 070
Finance costs	8	<b>(27 340)</b>	(39 343)	(69 508)
Share of net (loss)/profit of associate accounted for using the equity method		<b>(6 329)</b>	3 920	2 590
<b>Profit before taxation</b>		<b>267 837</b>	161 948	360 481
Taxation		<b>(77 984)</b>	(56 751)	(107 372)
<b>Net profit for the period</b>		<b>189 853</b>	105 196	253 109
<b>Net profit for the period attributable to:</b>				
Equity holders of the Group		<b>186 097</b>	101 394	241 905
Non-controlling interest		<b>3 756</b>	3 803	11 204
		<b>189 853</b>	105 197	253 109
<b>Consolidated statement of comprehensive income</b>				
<b>Other comprehensive (loss)/income, net of taxation</b>		<b>(3)</b>	7 023	7 745
<b>Items that may be subsequently reclassified to profit or loss</b>				
- Foreign exchange movement	17	—	9 630	9 630
- Tax effect		—	(2 600)	(2 600)
- Fair value losses		<b>(4)</b>	(9)	(15)
- Tax effect		<b>1</b>	2	4
<b>Items that will not be reclassified to profit or loss</b>				
- Remeasurement of post-employment benefit obligations and provisions		—	—	995
- Tax effect		—	—	(269)
<b>Total comprehensive income</b>		<b>189 850</b>	112 220	260 854
<b>Total comprehensive income attributable to:</b>				
Equity holders of the Group		<b>186 094</b>	108 417	249 650
Non-controlling interest		<b>3 756</b>	3 803	11 204
		<b>189 850</b>	112 220	260 854
<b>Earnings per share (cents)</b>				
Basic	9	<b>59,46</b>	31,61	75,86
Diluted	9	<b>55,65</b>	27,85	64,71

## Consolidated statement of changes in equity

	Share capital and premium R'000	Treasury shares R'000	Total other reserves R'000	Retained earnings R'000	Non-controlling interest R'000	Total equity R'000
<b>For the six months ended 30 September 2023</b>						
<b>Balance as at 31 March 2023</b>	507 208	(343 653)	(107 436)	2 113 748	46 836	2 216 703
<b>Total comprehensive income for the period</b>	—	—	7 023	101 394	3 803	112 220
Profit for the period	—	—	—	101 394	3 803	105 197
Other comprehensive income	—	—	7 023	—	—	7 023
Hedging reserve reclassification adjustment to inventory, gross	—	—	(10 545)	—	—	(10 545)
Hedging reserve reclassification adjustment to inventory, tax portion	—	—	2 847	—	—	2 847
<b>Transactions with owners:</b>						
Share based compensation movement	—	—	749	—	—	749
Share awards vested and issued	(2 446)	2 446	(144)	144	—	—
Dividends paid	—	—	—	—	(12 892)	(12 892)
<b>Total transactions with owners</b>	(2 446)	2 446	605	144	(12 892)	(12 143)
<b>Balance as at 30 September 2023</b>	504 762	(341 207)	(107 506)	2 215 286	37 747	2 309 082
<b>For the six months ended 30 September 2024</b>						
<b>Balance as at 31 March 2024</b>	449 199	(331 385)	(111 661)	2 205 596	33 976	2 245 725
<b>Total comprehensive income/(loss) for the period</b>	—	—	(3)	186 097	3 756	189 850
Profit for the period	—	—	—	186 097	3 756	189 853
Other comprehensive loss	—	—	(3)	—	—	(3)
Hedging reserve reclassification adjustment to inventory, gross	—	—	—	—	—	—
Hedging reserve reclassification adjustment to inventory, tax portion	—	—	—	—	—	—
<b>Transactions with owners:</b>						
Share based compensation movement	—	—	166	—	—	166
Share awards vested and issued	(10 862)	21 848	(898)	898	—	10 986
Dividends paid	—	—	—	(157 034)	(10 313)	(167 347)
<b>Total transactions with owners</b>	(10 862)	21 848	(732)	(156 136)	(10 313)	(156 195)
<b>Balance as at 30 September 2024</b>	438 337	(309 537)	(112 395)	2 235 557	27 419	2 279 381

## Statements of cash flows

	Note	30 September 2024 Unaudited R'000	30 September 2023 Unaudited R'000	31 March 2024 Audited R'000
<b>Cash flows from operating activities</b>				
Profit before taxation		267 837	161 948	360 481
Non-cash movements in profit before tax		161 676	148 807	272 072
Net changes in working capital		(769 253)	(47 267)	327 455
<b>Cash (utilised in)/generated from operations</b>		<b>(339 740)</b>	263 488	960 008
Finance income		29 121	15 972	45 070
Taxation paid		(60 081)	(57 753)	(131 750)
<b>Net cash (utilised in)/generated from operating activities</b>		<b>(370 700)</b>	221 707	873 328
<b>Cash flows from investing activities</b>				
Property, plant and equipment acquired		(27 178)	(14 743)	(108 138)
Proceeds from the sale of non-current assets held for sale	14	—	122 125	122 125
Proceeds on sale of property, plant and equipment		504	446	1 341
Other financial assets (acquired)		—	(2 700)	—
Related party loan (advanced)/repaid		(4 830)	(2 479)	2 750
Purchase of intangible assets		(959)	(483)	(504)
Financial assets at amortised cost advanced		—	—	(6 220)
Financial assets at amortised cost repaid		6 025	143	285
Financial assets at fair value through profit or loss acquired		(11 791)	—	(13 777)
Financial asset at fair value through other comprehensive income acquired		(10 431)	—	—
Acquisition of subsidiary		(5)	—	(12 043)
Acquisition of associate		(30 000)	—	—
Proceeds on sale of intangible assets		—	453	447
<b>Net cash (utilised in)/generated from investing activities</b>		<b>(78 665)</b>	102 762	(13 734)
<b>Cash flows from financing activities</b>				
Proceeds from borrowings	18	232 000	300 000	300 000
Repayment of borrowings	18	(144 633)	(339 608)	(380 095)
Principle portion of lease liabilities		(4 714)	(3 788)	(7 893)
Interest portion of lease liabilities		(1 216)	(1 605)	(3 009)
Interest paid		(26 124)	(37 738)	(64 067)
Dividends paid to company's shareholders	16	(157 034)	—	(155 581)
Dividends paid to non-controlling interest in subsidiaries		(10 313)	(12 893)	(24 064)
Payments for shares bought back		—	—	(45 741)
<b>Net cash utilised in financing activities</b>		<b>(112 034)</b>	(95 631)	(380 450)
Net (decrease)/increase in cash and cash equivalents		(561 399)	228 837	479 144
Cash and cash equivalents at the beginning of the period		871 368	392 224	392 224
<b>Cash and cash equivalents at the end of the period</b>		<b>309 969</b>	621 061	871 368

# Notes to the consolidated interim financial statements

for the six months ended 30 September 2024

## 1. BASIS OF PREPARATION

The unaudited consolidated interim financial statements for the six months ended 30 September 2024 have been prepared in accordance with IFRS Accounting Standards, (IAS) 34 Interim Financial Reporting, the IFRIC Interpretations and the SA financial reporting requirements of the JSE Limited ("JSE") Listings Requirements and the South African Companies Act, 2008 (Act No 71 of 2008), as amended.

The consolidated interim financial statements do not include all the notes of the type normally included in consolidated annual financial statements. Accordingly, these consolidated interim financial statements are to be read in conjunction with the consolidated annual financial statements for the year ended 31 March 2024.

The accounting policies used in preparing the consolidated interim financial statements are in terms of IFRS Accounting Standards and are consistent with those applied in the previous annual financial statements.

None of the new or amended accounting pronouncements that are effective for the financial year commencing 1 April 2024 are expected to have a material impact on the Group.

## 2. ESTIMATES

The preparation of interim financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

In preparing these consolidated interim financial statements, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements for the year ended 31 March 2024.

## 3. SEASONALITY OF OPERATIONS

Due to the seasonal nature of the operating segments within the Group, revenue and operating profit within the Print and Education segments in the second half of the financial year will not be in line with the first six months of the year, which are considered to include peak season for these segments.

## 4. PREPARATION OF THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS

The preparation of the consolidated interim financial statements was supervised by the Chief Financial Officer, Craig Wright CA(SA). The consolidated interim financial statements have not been reviewed by the Company's auditors.

## Notes to the consolidated interim financial statements (continued)

for the six months ended 30 September 2024

### 5. GOODWILL

Goodwill arises on the acquisition of interests in subsidiaries and is subject to an annual impairment assessment.

Movements in the Group's goodwill for the period are detailed below:

	30 September 2024 Unaudited R'000	30 September 2023 Unaudited R'000	31 March 2024 Audited R'000
<b>Goodwill</b>			
<b>Opening balance</b>	<b>253 595</b>	245 984	245 984
Acquisition of subsidiaries	—	—	7 611
Accumulated impairment	<b>(165 772)</b>	(165 772)	(165 772)
<b>Closing balance</b>	<b>87 823</b>	80 212	87 823

The following assumptions were applied to the cash flows of the cash generating units ("CGUs") with goodwill allocated to them.

#### ITB

No changes in assumptions were required to be made to the forecasted cash flows as the division was operating in line with its budgeted cash flows. It was considered if one or more of the inputs were changed to a reasonable possible alternative assumption and concluded that there would be no impairment that would have to be recognised.

## Notes to the consolidated interim financial statements (continued)

for the six months ended 30 September 2024

	30 September 2024 Unaudited R'000	30 September 2023 Unaudited R'000	31 March 2023 Audited R'000
<b>6. REVENUE</b>			
<b>Revenue from contracts with customers</b>			
Printing revenue	1 267 016	1 233 258	2 247 361
Educational revenue	447 185	406 468	961 929
Distribution revenue	33 216	34 065	68 844
Packaging revenue	319 897	322 731	635 561
Waste revenue	12 307	11 930	21 834
Other revenue	5 011	7 780	16 911
<b>Revenue other than from contracts with customers</b>			
Other revenue	3 852	6 052	9 996
	<b>2 088 484</b>	<b>2 022 284</b>	<b>3 962 436</b>
<b>7. FINANCE INCOME</b>			
<b>Net gain from foreign exchange translation and fair-value adjustments on derivative financial instruments</b>	<b>11 078</b>	88	—
Bank	26 377	15 787	43 531
Other	2 744	185	1 539
<b>Interest received</b>	<b>29 121</b>	15 972	45 070
	<b>40 200</b>	16 060	45 070
<b>8. FINANCE COSTS</b>			
<b>Net loss from foreign exchange translation and fair-value adjustments on derivative financial instruments</b>	—	—	2 432
Bank	226	6 135	5 348
Interest on borrowings	21 965	31 595	52 126
Interest on lease liabilities	1 216	1 605	3 009
Other	3 934	8	6 593
<b>Interest expense</b>	<b>27 340</b>	39 343	67 076
	<b>27 340</b>	39 343	69 508

## Notes to the consolidated interim financial statements (continued)

for the six months ended 30 September 2024

### 9. 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.

#### 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).

	30 September 2024 Unaudited R'000	30 September 2023 Unaudited R'000	31 March 2024 Audited R'000
<b>Calculation of headline earnings</b>			
<b>Net profit attributable to shareholders</b>	<b>186 097</b>	101 394	241 905
<i>Adjusted for:</i>			
- Profit on sale of property, plant and equipment and non-current assets held for sale	<b>(408)</b>	(11 469)	(10 957)
- Profit on sale of intangible assets	—	(84)	(78)
- Gain on bargain purchase	—	(668)	(668)
- Impairment in value of property, plant and equipment	—	—	24 555
	<b>185 689</b>	89 173	254 757
Total tax effect of adjustments	<b>110</b>	3 119	(3 650)
<b>Headline earnings</b>	<b>185 799</b>	92 292	251 107
Number of ordinary shares in issue	<b>343 183 043</b>	346 656 348	343 183 023
Weighted average number of shares	<b>312 983 998</b>	320 743 289	318 879 670
<b>Earnings per ordinary share (cents)</b>			
Basic	<b>59,46</b>	31,61	75,86
Diluted*	<b>55,65</b>	27,85	64,71
<b>Headline earnings per ordinary share (cents)</b>			
Basic	<b>59,36</b>	28,77	78,75
Diluted*	<b>55,56</b>	25,01	67,59

\* 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 consolidated interim financial statements (continued)

for the six months ended 30 September 2024

### 10. SEGMENTAL ANALYSIS

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

	Printing R'000	Education R'000	Packaging R'000	Other R'000	Eliminations R'000	Total R'000
<b>30 September 2024 (R'000)</b>						
External revenue	1 269 570	447 185	368 024	3 704	—	2 088 484
Inter-segmental revenue	61 831	—	—	—	(61 831)	—
<b>Total Revenue</b>	<b>1 331 401</b>	<b>447 185</b>	<b>368 024</b>	<b>3 704</b>	<b>(61 831)</b>	<b>2 088 484</b>
<b>Profit/(loss) before taxation</b>	<b>82 242</b>	<b>90 447</b>	<b>102 144</b>	<b>(2 551)</b>	<b>(4 445)</b>	<b>267 837</b>
<b>30 September 2023 (R'000)</b>						
External revenue	1 281 441	406 468	334 375	—	—	2 022 284
Inter-segmental revenue	75 315	—	—	—	(75 315)	—
<b>Total Revenue</b>	<b>1 356 756</b>	<b>406 468</b>	<b>334 375</b>	<b>—</b>	<b>(75 315)</b>	<b>2 022 284</b>
<b>Profit/(loss) before taxation</b>	18 599	105 911	38 534	3 812	(4 908)	161 948
<b>Total assets (R'000)</b>						
30 September 2024	2 499 227	1 127 480	824 402	154 639	(787 111)	3 818 637
31 March 2024	1 922 367	1 212 289	690 957	160 568	(688 224)	3 297 957
<b>Total liabilities (R'000)</b>						
30 September 2024	969 171	463 911	324 087	569 199	(787 111)	1 539 257
31 March 2024	456 876	492 613	215 659	575 312	(688 224)	1 052 234
<b>Property, plant and equipment additions (R'000)</b>						
30 September 2024	19 975	2 266	4 937	—	—	27 178
31 March 2024	28 336	6 048	73 754	—	—	108 138
<b>Impairment of assets (R'000)</b>						
30 September 2024	—	—	—	—	—	—
31 March 2024	(21 724)	(2 830)	—	—	—	(24 554)

## Notes to the consolidated interim financial statements (continued)

for the six months ended 30 September 2024

### 11. COMMITMENTS

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

	<b>30 September 2024 Unaudited R'000</b>	30 September 2023 Unaudited R'000	31 March 2024 Audited R'000
<b>Commitments</b>			
Capital expenditure	9 672	57 381	36 554
Lease commitments	—	—	—
	<b>9 672</b>	57 381	36 554

Majority of the capital expenditure relates to expansion equipment within the Print and Packaging segments.

### 12. PROPERTY, PLANT AND EQUIPMENT

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

	<b>30 September 2024 Unaudited R'000</b>	30 September 2023 Unaudited R'000	31 March 2024 Audited R'000
Cash acquisitions the period	27 178	14 743	108 138
Depreciation during the period	37 479	36 391	72 477
Impairments during the period	—	—	24 555

### 13. INTANGIBLE ASSETS

The movement in intangible assets and intangible assets - product development, is mainly due to the following:

	<b>30 September 2024 Unaudited R'000</b>	30 September 2023 Unaudited R'000	31 March 2024 Audited R'000
Amortisation - Intangible assets	64 572	65 721	129 303
Amortisation - Intangible assets - product development	30 605	12 734	31 759

## Notes to the consolidated interim financial statements (continued)

for the six months ended 30 September 2024

### 14. NON-CURRENT ASSETS HELD FOR SALE

The non-current assets held for sale balance at 31 March 2023 related to the Novus Print Linbro Park division's properties, amounting to R109,9 million, following the closure of the print facility. The transfer of these properties took place on 11 September 2023 with net proceeds of R122,1 million received in the prior period. A profit on sale of R12,1 million was recognised in "other gains/losses."

### 15. CHANGES IN WORKING CAPITAL

#### *Contract assets & Trade and other receivables*

The increase in the trade and other receivables compared to 31 March 2024 relates mainly to the seasonality of the business whilst the increase in contract assets is due to the application of IFRS 15 with similar timing compared to the prior year preceding period. The increase compared to 30 September 2023 is mainly due to the invoicing of the Department of Basic Education ("DBE") contract one month later than the prior year, as well as increased Education revenue for the six months when compared to the prior year comparative period. The Group re-assessed the impact of trading conditions on trade and other receivables at the reporting date and has increased its specific allowance since 31 March 2024 to calculate an expected credit loss allowance of R58,9 million compared to the allowance recognised at 31 March 2024 of R33,1 million.

#### *Inventory*

Inventory balances have increased slightly since 31 March 2024, in line with the impact of seasonality, but mitigated due to a continued focus on the management of the paper stock on hand.

#### *Trade and other payables*

The trade and other payables balance has increased significantly since 31 March 2024 due to the seasonality of the business in line with the timing of print projects.

### 16. DIVIDENDS

No dividends were declared during the 6 month period ended 30 September 2024 (30 September 2023: Rnil).

## Notes to the consolidated interim financial statements (continued)

for the six months ended 30 September 2024

### 17. FINANCIAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS

#### 17.1 Financial risk factors

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

The consolidated interim Group financial statements do not include all financial risk management information and disclosures required in the annual financial statements; they should be read in conjunction with the Group's annual financial statements as at 31 March 2024. There have been no material changes in the Group's credit, liquidity and market risk or key inputs in measuring fair value since 31 March 2024.

#### 17.2 Fair value estimation

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

	Level 1	Level 2	Level 3	Total
	Quoted prices in active markets for identical assets or liabilities R'000	Significant other observable inputs R'000	Significant unobservable inputs R'000	R'000
<b>30 September 2024</b>				
<b>Assets</b>				
Financial assets at fair value through other comprehensive income	1	3 024	—	3 025
Financial assets at fair value through profit or loss	25 469	—	—	25 469
Related party loan receivables**	—	—	19 578	19 578
	<b>25 470</b>	<b>3 024</b>	<b>19 578</b>	<b>48 072</b>
<b>Liabilities</b>				
	—	—	—	—
<b>30 September 2023</b>				
<b>Assets</b>				
Financial assets at fair value through other comprehensive income	1	3 039	—	3 040
Financial assets at fair value through profit or loss	—	2 700	—	2 700
Related party loan receivables**	—	—	18 976	18 976
	<b>1</b>	<b>5 739</b>	<b>18 976</b>	<b>24 716</b>
<b>Liabilities</b>				
	—	—	—	—

## Notes to the consolidated interim financial statements (continued)

for the six months ended 30 September 2024

### 17. FINANCIAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS (continued)

	Level 1	Level 2	Level 3	Total
	Quoted prices in active markets for identical assets or liabilities R'000	Significant other observable inputs R'000	Significant unobservable inputs R'000	R'000
<b>31 March 2024</b>				
<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	—	—	13 678
Derivative financial instruments*	—	3	—	3
Related party loan receivables**	—	—	14 749	14 749
	<b>13 679</b>	<b>3 036</b>	<b>14 749</b>	<b>31 464</b>
<b>Liabilities</b>				
	—	—	—	—

\* Financial assets/liabilities carried at fair value.

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

#### 17.3 Valuation techniques used to derive 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/profit or loss* - the use of quoted market prices or dealer quotes 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.

## Notes to the consolidated interim financial statements (continued)

for the six months ended 30 September 2024

### 18. BORROWINGS

	30 September 2024 Unaudited R'000	30 September 2023 Unaudited R'000	31 March 2024 Audited R'000
<b>The table below shows a reconciliation of lease liabilities:</b>			
<b>Opening balance</b>	<b>25 929</b>	33 822	33 822
New leases	<b>1 049</b>	—	—
Interest	<b>1 227</b>	1 605	3 009
Payments	<b>(5 941)</b>	(5 393)	(10 902)
<b>Closing balance</b>	<b>22 264</b>	30 034	25 929
<b>The table below shows a reconciliation of borrowings:</b>			
<b>Opening balance</b>	<b>401 014</b>	481 109	481 109
New borrowings	<b>232 000</b>	300 000	300 000
Payments	<b>(166 598)</b>	(371 204)	(432 221)
Interest	<b>21 965</b>	31 595	52 126
<b>Closing balance</b>	<b>488 381</b>	441 500	401 014

#### Loan Covenants

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

- Gross debt: EBITDA ratio must be less than 3.5 times for the period of 12 months following 30 November 2022 and 3 times for the remaining period to 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 30 September 2024, except for the debt service cover ratio, but which was complied with on 1 October 2024. This resulted from the delay in invoicing of the DBE contract, for which payment was received on 1 October 2024.

Due to this breach of the debt service ratio covenant clause, the bank is contractually entitled to request repayment of R205,0 million of the outstanding loan amount which has been presented as a current liability in the statement of financial position at 30 September 2024.

The bank has condoned the covenant breach thus not requiring repayment of the loan immediately or within the next twelve months and thus not affecting the liquidity position of the Group. Should repayment have been required in the short term, the Group has adequate cash and facilities available in order to make the payment required.

The condonement of the breach did not impact the classification of the liability at 30 September 2024 due to this being a non-adjusting post balance sheet event.

### 19. INVESTMENT IN ASSOCIATES

Effective 1 May 2024, the Group purchased a stake in Bytefuse Proprietary Limited, a company that develops machine learning and artificial intelligence technology for application in various fields, for a purchase consideration of R40,8 million.

The Group owns 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.

## 20. EVENTS AFTER REPORTING DATE

Subsequent to 30 September 2024, the Competition Commission has approved Media24 Proprietary Limited's sale of its distribution business, On the Dot ("OtD"), its community newspaper portfolio ("Communities"), and the Soccer Laduma and Kick Off titles to the Group for a purchase consideration of R40 million. The transaction's effective and implementation date is 31 October 2024.

As at 30 September 2024 the Group held derivative instruments in Mustek Limited ("Mustek"). The Group has subsequently acquired the ordinary shares of Mustek and now holds just over 35% of the issued share capital of Mustek. As a result, the Group has made a mandatory offer to the remaining shareholders, on the terms and conditions set out in the firm intention announcement published on the Stock Exchange News Service ("SENS") on 15 November 2024.

The directors are not aware of any other matter or circumstance arising since the end of the reporting date that would significantly affect the operations of the Group or the results of its operations.