



REVIEWED ABRIDGED RESULTS FOR THE SIX MONTHS ENDED 31 MARCH 2021



ABRIDGED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE SIX MONTHS ENDED 31 MARCH 2021

	INFLATION ADJUSTED		HISTORICAL *	
	6 Months 31 March 2021 ZWS 000 Reviewed	6 Months 31 March 2020 ZWS 000 Restated Unaudited	6 Months 31 March 2021 ZWS 000 Unaudited	6 Months 31 March 2020 ZWS 000 Restated Unaudited
CONTINUING OPERATIONS				
Revenue	3 664 773	3 109 283	3 347 740	624 074
Trading income	791 205	894 551	968 909	208 217
Other material income / (expenses)	1 107	(741 912)	1 769	(107 576)
Net monetary (loss) / gain on hyperinflation	(108 809)	3 337 968	-	-
Operating profit	683 503	3 490 607	970 678	100 641
Net finance income	1 466	18 126	1 416	23 801
Profit before tax	684 969	3 508 733	972 094	124 442
Income tax expense	(371 219)	(158 492)	(267 809)	(41 874)
Profit for the period from continuing operations	313 750	3 350 241	704 285	82 568
DISCONTINUED OPERATIONS				
Share of net (loss) / profit from joint venture	(4 618)	(9 048)	550	4 363
Profit for the period	309 132	3 341 193	704 835	86 931
Earnings per ordinary share (cents)	40.91	442.16	93.28	11.50
Headline earnings per ordinary share (cents)	40.76	540.34	93.04	25.74
Ordinary shares in issue at reporting date	755 648 101	755 648 101	755 648 101	755 648 101

ABRIDGED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2021

	INFLATION ADJUSTED		HISTORICAL *	
	As at 31 March 2021 ZWS 000 Reviewed	As at 30 September 2020 ZWS 000 Audited	As at 31 March 2021 ZWS 000 Unaudited	As at 30 September 2020 ZWS 000 Unaudited
ASSETS				
Non-current assets	1 814 969	1 875 280	196 945	152 899
Property, plant and equipment	1 698 549	1 756 203	147 792	116 237
Intangible assets	105 362	105 416	2 446	2 447
Biological assets	10 889	13 627	10 889	10 889
Investments and non current receivables	169	34	28	27
Deferred tax asset	-	-	35 790	23 299
Current assets	2 663 299	2 442 368	2 426 123	1 600 778
Inventories	857 659	988 160	720 580	579 617
Trade and other receivables	1 371 646	1 076 054	1 271 549	718 997
Cash and cash equivalents	433 994	378 154	433 994	302 164
Asset classified as held for sale	51 034	55 652	20 503	19 953
Total assets	4 529 302	4 373 300	2 643 571	1 773 630
EQUITY AND LIABILITIES				
Capital and reserves	3 175 058	2 859 950	1 715 794	1 006 184
Share capital and share premium	1 068 868	1 068 868	24 810	24 810
Non distributable reserves	2 553 993	8 447 214	752 935	962 797
(Accumulated loss) / retained earnings	(447 803)	(6 656 132)	938 049	18 577
Non-current liabilities	404 777	402 891	-	-
Deferred tax liabilities	404 777	402 891	-	-
Current liabilities	949 467	1 110 459	927 777	767 446
Trade payables	352 598	639 985	352 598	391 513
Other payables	403 075	348 249	381 385	278 269
Current tax payable	193 794	122 225	193 794	97 664
Total equity and liabilities	4 529 302	4 373 300	2 643 571	1 773 630

ABRIDGED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE SIX MONTHS ENDED 31 MARCH 2021

	INFLATION ADJUSTED			
	Share Capital and Premium ZWS 000	Non Distributable Reserve ZWS 000	(Accumul-ated loss)/ retained earnings ZWS 000	Total ZWS 000
Balance as at 30 September 2019 (audited)	1 068 868	158 105	(5 831 926)	(4 604 953)
Profit for the period	-	-	3 341 193	3 341 193
Gain on set off of Nampak International Limited liability and Reserve Bank of Zimbabwe receivable	-	-	1 490 210	1 490 210
Impairment reversal of prior year non current receivable through equity	-	1 879 755	-	1 879 755
Nampak International Limited interest reversal through equity	-	(51 660)	-	(51 660)
Balance as at 31 March 2020 (Unaudited) - Restated	1 068 868	1 986 200	(1 000 523)	2 054 545
Loss for the period	-	-	(4 165 399)	(4 165 399)
Impairment reversal of prior year non current receivable through equity	-	3 366 102	-	3 366 102
Gain on set off of Nampak International Limited liability and Reserve Bank of Zimbabwe receivable - reclassified to period ended 31 March 2020	-	1 490 210	(1 490 210)	-
Nampak International Limited technical fees and interest reversal through equity	-	1 604 702	-	1 604 702
Balance as at 30 September 2020 (Audited)	1 068 868	8 447 214	(6 656 132)	2 859 950
Profit for the period	-	-	309 132	309 132
Reclassification to retained earnings	-	(5 893 221)	5 893 221	-
Income tax adjustment	-	-	5 976	5 976
Balance as at 31 March 2021 (Reviewed)	1 068 868	2 553 993	(447 803)	3 175 058

ABRIDGED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE SIX MONTHS ENDED 31 MARCH 2021

	HISTORICAL*			
	Share Capital and Premium ZWS 000	Distributable Reserve ZWS 000	(Accumul-ated loss)/ retained earnings ZWS 000	Total ZWS 000
Balance as at 30 September 2019	24 810	22 307	(757 569)	(710 452)
Profit for the period	-	-	82 568	82 568
Gain on set off of Nampak International Limited liability and Reserve Bank of Zimbabwe receivable	-	-	156 801	156 801
Impairment reversal of prior year non current receivable through equity	-	551 973	-	551 973
Nampak International Limited interest reversal through equity	-	(15 169)	-	(15 169)
Balance as at 31 March 2020 - Restated	24 810	559 111	(518 200)	65 721
Profit for the period	-	-	693,578	693 578
Gain on set off of Nampak International Limited liability and Reserve Bank of Zimbabwe receivable - reclassified to period ended 31 March 2020	-	156 801	(156 801)	-
Nampak International Limited technical fees and interest reversal through equity	-	246 885	-	246 885
Balance as at 30 September 2020	24 810	962 797	18 577	1 006 184
Profit for the period	-	-	704 835	704 835
Reclassification to retained earnings	-	(209 862)	209 862	-
Income tax adjustment	-	-	4 775	4 775
Balance as at 31 March 2021	24 810	752 935	938 049	1 715 794

ABRIDGED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE SIX MONTHS ENDED 31 MARCH 2021

	INFLATION ADJUSTED		HISTORICAL *	
	6 Months 31 March 2021 ZWS 000 Reviewed	6 Months 31 March 2020 ZWS 000 Restated Unaudited	6 Months 31 March 2021 ZWS 000 Unaudited	6 Months 31 March 2020 ZWS 000 Restated Unaudited
Cash generated from operating activities	714 436	9 286 015	1 004 838	1 053 086
Working capital changes	(595 331)	(1 031 603)	(815 278)	(115 270)
Net finance costs	(397 652)	(1 086 524)	(629 314)	(120 596)
Net finance costs	1 466	134 634	1 416	23 801
Tax paid	(199 145)	(79 713)	(187 380)	(18 475)
Net cash generated from operating activities	119 105	8 254 412	189 560	937 816
Investing activities	(63 265)	1 204 866	(57 730)	117 381
Purchase of plant and equipment and intangible assets	(63 981)	(27 632)	(58 372)	(6 124)
Proceeds on disposal of property, plant and equipment	716	262	642	43
Decrease in non current receivables	-	1 232 236	-	123 462
Net cash generated before financing activities	55 840	9 459 278	131 830	1 055 197
Financing activities	-	(9 686 859)	-	(1 019 154)
Decrease in long term borrowings	-	(1 430 083)	-	(150 459)
Decrease in long term trade payables	-	(8 256 776)	-	(868 695)
Net increase/(decrease) in cash and cash equivalents	55 840	(227 581)	131 830	36 043
Cash and cash equivalents at the beginning of the period	378 154	545 929	302 164	57 437
Cash and cash equivalents at the end of the period	433 994	318 348	433 994	93 480
REPRESENTED BY:	433 994	318 348	433 994	93 480
Bank balances, cash and short term deposits	433 994	318 348	433 994	93 480

NOTES TO THE INFLATION ADJUSTED FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 31 MARCH 2021

- CORPORATE INFORMATION**
Nampak Zimbabwe Limited is a public limited Company incorporated and domiciled in Zimbabwe. The main activities of the Group are manufacturing of paper, plastic and metal packaging products and leasing of biological assets and property. The abridged consolidated financial statements for Nampak Zimbabwe Limited and its subsidiaries (the Group) for the six months ended 31 March 2021 were authorised for issue in accordance with a resolution of the directors on 27 May 2021.
- BASIS OF PREPARATION**
These abridged consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS), the disclosure requirements of the Zimbabwe Stock Exchange Listing Rules.
The interim financial report is in compliance with IAS 34, 'Interim Financial Reporting'.
The consolidated financial statements of the Group have been prepared based on the current cost basis and adjusted for the effects of IAS 29 'Financial Reporting in Hyperinflationary Economies'. Comparative financial statements are restated using the general inflation indices in terms of the measuring unit current at the statement of financial position date. The primary financial statements of the Group are the inflation adjusted numbers.
* The historic amounts are shown as supplementary information. This information does not comply with the International Financial Reporting Standards in that it has not taken into account the requirements of International Accounting Standard 29 – Financial Reporting for Hyperinflationary Economies. As a result the auditors have not expressed an opinion on this historic financial information.
The conversion factors have been adopted from the Consumer Price Index (CPI) data prepared by the Zimbabwe National Statistics Agency (ZIMSTAT). The indices and conversion factors used to restate the financial results are as follows:

	Indices	Conversion factor
CPI as at 31 March 2021	2,759.8	1.00
CPI as at 30 September 2020	2,205.2	1.25
CPI as at 31 March 2020	810.4	3.41
- FUNCTIONAL AND PRESENTATION CURRENCY**
These financial statements are presented in Zimbabwe dollars (ZWS), which is the functional and presentation currency of the Group. All values are rounded to the nearest thousand except where otherwise stated.
- STATEMENT OF ACCOUNTING POLICY**
The principal accounting policies applied in the preparation of these financial statements are consistent with those used in the prior year.

NAMPAK ZIMBABWE LIMITED

REVIEWED ABRIDGED RESULTS FOR THE SIX MONTHS ENDED 31 MARCH 2021

5. DIRECTORS' RESPONSIBILITY

The Company's Directors, under the Companies and Other Business Entities Act (Chapter 24:31), are responsible for the preparation and fair presentation of the Group's consolidated financial statements and related information.

These abridged Group financial statements are presented in accordance with the International Financial Reporting Standards, the disclosure requirements of the Zimbabwe Stock Exchange (ZSE) Listing Rules.

The Directors have reviewed the performance and financial position of the Group and are satisfied that the Group has sufficient financial resources to continue as a going concern.

6. ASSET HELD FOR SALE

The Board of Directors approved the disposal of Softex Tissue Products (Private) Limited to ART Holdings Limited. An agreement of Softex Tissue Products (Private) Limited sale was signed on 3 May 2021. The total consideration is US\$800 thousand. The share of net (loss) / profit from the joint venture has been classified as discontinued operations.

7. RESTATEMENT DUE TO PRIOR PERIOD ERRORS

Prior year comparative financial information was restated. The impairment on Reserve Bank receivable and Nampak International Limited (NIL) interest and technical fees which was previously accounted for in the Statement of Profit or Loss were reversed and transferred to Non Distributable Reserve as they are capital contributions, as a result of NIL being an indirect shareholder in Nampak Zimbabwe Limited through Nampak Southern Africa Holdings Limited (Mauritius). Furthermore, the unrecognised Reserve Bank of Zimbabwe receivable impairment and Nampak International Limited interest and technical fees was correctly accounted for in the period ending 31 March 2020.

	Inflation Adjusted 31 March 2020 ZWS 000	Historical 31 March 2020 ZWS 000
Increase in other material expenses	(2 568 612)	(754 250)
Decrease in finance income	(116 508)	(34 211)
Decrease in taxation	754 664	221 600
Monetary loss	(813 748)	-
Decrease in profit after tax	(2 744 204)	(566 861)
Impairment reversal in profit or loss for the period	(1 879 755)	(551 973)
Transfer of tax on interest to non distributable reserves	51 660	15 169
Decrease in tax provision	74 134	21 769
Decrease in retained earnings	(1 753 961)	(515 035)
Transfer from impairment provision	1 879 755	551 973
Tax on interest transferred from retained earnings	(51 660)	(15 169)
Increase in non distributable reserve	1 828 095	536 804

The earnings per share decreased from ZWL805.32 to ZWL442.16 and the headline earnings per share decreased from ZWL563.53 to ZWL540.34.

8. REVIEW CONCLUSION

These abridged consolidated interim financial results for the six months ended 31 March 2021 have been reviewed by Deloitte & Touche and an unmodified review conclusion issued thereon. The review report has been made available to management and those charged with governance of Nampak Zimbabwe Limited, and the report is available for inspection at their registered office. The review engagement partner is Tapiwa Chizana.

9. GROUP OPERATING SEGMENT REPORT

The basis of segmentation and basis of measurement of segment profit or loss for the current reporting period is consistent with the last reported annual financial statement.

Segment reporting for the period ended 31 March 2021

	INFLATION ADJUSTED			
	Printing & Converting ZWS 000	Plastics & Metals ZWS 000	Services & Eliminations ZWS 000	Total ZWS 000
Sales to local customers	1 518 268	1 928 239	-	3 446 507
Sales to export customers	155 208	58 478	-	213 686
Other sales	4 580	-	-	4 580
Intersegmental sales	39 121	2 158	(41 279)	-
Total Sales	1 717 177	1 988 875	(41 279)	3 664 773
Results from continuing operations				
Trading income	370 372	389 267	31 566	791 205
Operating profit / (loss)	413 660	337 834	(67 991)	683 503
Net finance income / (costs)	1 948	(488)	6	1 466
Taxation charge	(157 955)	(201 698)	(11 566)	(371 219)
Profit / (loss) for the period	257 653	135 648	(79 551)	313 750
Other information				
Segment assets	2 381 658	2 017 264	130 380	4 529 302
Segment liabilities	866 602	542 306	(54 663)	1 354 245
Capital expenditure	9 436	50 775	3 770	63 981
Depreciation and amortisation	28 722	71 333	665	100 720
Other material (income) / expenses	(1 551)	897	(453)	(1 107)
Monetary (gain) / loss on hyperinflation	(41 736)	50 536	100 009	108 809

Segment reporting for the period ended 31 March 2020

	INFLATION ADJUSTED - Restated Unaudited			
	Printing & Converting ZWS 000	Plastics & Metals ZWS 000	Services & Eliminations ZWS 000	Total ZWS 000
Sales to local customers	1 268 001	1 624 109	-	2 892 110
Sales to export customers	145 501	67 320	-	212 821
Other sales	4 352	-	-	4 352
Intersegmental sales	30 786	-	(30 786)	-
Total Sales	1 448 640	1 691 429	(30 786)	3 109 283
Results from continuing operations				
Trading income / (loss)	383 901	512 759	(2 108)	894 552
Operating profit / (loss)	892 332	2 612 793	(14 518)	3 490 607
Finance income	7 769	10 070	287	18 126
Taxation charge	(51 208)	(105 101)	(2 183)	(158 492)
Profit / (loss) for the period	848 893	2 517 762	(16 414)	3 350 241
Other information				
Segment assets	2 008 837	2 050 344	195 426	4 254 607
Segment liabilities	1 191 199	1 087 151	(37 682)	2 240 668
Capital expenditure	4 540	21 966	1 127	27 633
Depreciation and amortisation	26 314	63 070	1 097	90 481
Other material (income) / expenses	(22 850)	(519 294)	232	(741 912)
Monetary (gain) / loss on hyperinflation	(397 894)	(2 944 419)	4 345	(3 337 968)

Segment reporting for the period ended 31 March 2021

	HISTORICAL			
	Printing & Converting ZWS 000	Plastics & Metals ZWS 000	Services & Eliminations ZWS 000	Total ZWS 000
Sales to local customers	1 380 072	1 766 584	-	3 146 656
Sales to export customers	143 463	53 426	-	196 889
Other sales	4 195	-	-	4 195
Intersegmental sales	36 184	1 935	(38 119)	-
Total Sales	1 563 914	1 821 945	(38 119)	3 347 740

Segment reporting for the period ended 31 March 2021 (continued)

	HISTORICAL			
	Printing & Converting ZWS 000	Plastics & Metals ZWS 000	Services & Eliminations ZWS 000	Total ZWS 000
Results from continuing operations				
Trading income	430 603	510 455	27 851	968 909
Operating income	432 928	509 726	28 024	970 678
Net finance income / (loss)	2 456	(495)	(545)	1 416
Taxation charge	(119 794)	(140 733)	(7 282)	(267 809)
Profit for the period	315 590	368 498	20 197	704 285
Other information				
Segment assets	1 318 328	1 261 721	63 521	2 643 570
Segment liabilities	539 205	377 155	11 417	927 777
Capital expenditure	9 092	45 510	3 770	58 372
Depreciation and amortisation	1 853	6 267	169	8 289
Other material (income) / expenses	(2 325)	729	(173)	(1 769)

Segment reporting for the period ended 31 March 2020

	HISTORICAL - Restated Unaudited			
	Printing & Converting ZWS 000	Plastics & Metals ZWS 000	Services & Eliminations ZWS 000	Total ZWS 000
Sales to local customers	244 473	331 812	-	576 285
Sales to export customers	29 752	17 144	-	46 896
Other sales	893	-	-	893
Intersegmental sales	6 097	-	(6 097)	-
Total Sales	281 215	348 956	(6 097)	624 074
Results from continuing operations				
Trading income	88 911	119 256	50	208 217
Operating profit	40 187	60 347	107	100 641
Net finance income / (costs)	10 007	18 104	(4 310)	23 801
Taxation charge	(13 657)	(27 968)	(249)	(41 874)
Profit / (loss) for the period	36 537	50 483	(4 452)	82 568
Other information				
Segment assets	327 344	320 729	33 224	681 297
Segment liabilities	247 476	263 917	8 749	520 142
Capital expenditure	1 226	4 676	222	6 124
Depreciation and amortisation	782	2 000	48	2 830
Other material expenses / (income)	48 723	58 909	(56)	107 576

10. OTHER MATERIAL INCOME / (EXPENSES)

	INFLATION ADJUSTED		HISTORICAL	
	6 Months 31 March 2021 ZWS 000	6 Months 31 March 2020 ZWS 000 Restated	6 Months 31 March 2021 ZWS 000	6 Months 31 March 2020 ZWS 000 Restated
Retrenchment, termination and restructuring costs	-	(1 358)	-	(198)
Impairment of non current receivable	-	(197 040)	-	(57 892)
Net exchange gain / (loss) on foreign currency	1 107	(543 514)	1 769	(49 486)
Total	1 107	(741 912)	1 769	(107 576)

COMMENTARY

ECONOMY

The Group has achieved improved volumes and remains profitable due to a stable exchange rate resulting from the Reserve Bank of Zimbabwe's auction system. This has had the added effect of reducing the inflation rate significantly. The economic environment remains uncertain due to the macro-economic difficulties facing the country. The COVID-19 pandemic has affected consumer demand and consequently the Group and its results despite it being classified as an essential service.

HYPERINFLATIONARY PERFORMANCE

The half year reflected an increase in volumes for the Group despite the COVID-19 restrictions that were reintroduced at the beginning of the year, and which were lifted during April 2021. Foreign currency, although still inadequate for the Group's operations as a whole, was more available through the auction system introduced last year. The Group managed to source additional amounts needed from customers.

Revenue for the half year at ZW\$3.6 billion, in hyper-inflationary terms was 18% ahead of the prior year period. Sales volumes were up across all sectors of business except in the tobacco sector. However margins came under pressure in order to remain competitive. This resulted in a decrease of 12% in trading profit to ZW\$791 million.

All units continued to trade profitably with treasury and cash flow management being the key focus area. Net working capital was positive.

PRINTING AND CONVERTING SEGMENT

Hunyani Paper and Packaging: Sales volumes for the period were 15% ahead of prior year period. The major contributor to this increase was the commercial sector which was up 58%, due to increased demand from customers who recovered post COVID-19. The tobacco sector was 19% down on prior year period as late season orders did not materialise due to a lower 2020 tobacco crop.

Estates: We continue to engage with the relevant authorities to regain effective control over the Estates. It remains the intention to rehabilitate them for timber and agricultural purposes in line with Government's declared thrust in this direction.

PLASTICS AND METALS SEGMENT

MegaPak: Sales volumes grew by 61% against prior year period due to increased demand in the preforms and large injection moulding sectors. Closures were also up 18% compared to the prior year period.

CarnaudMetalbox: Sales volumes for the half year increased by 9% compared to the prior year period. In plastics, HDPE was 25% ahead of prior year period due to increased demand. Metals volumes increased by 16% with food cans and crowns leading the recovery. Closures were 29% below prior year period due to a shortage of raw materials.

CAPITAL EXPENDITURE

Capital expenditure of ZW\$58.3 million relates mainly to projects carried forward from the previous financial year. Various projects are under consideration and will be carried out subject to availability of foreign exchange.

DIVIDEND

The Directors have decided against declaring an interim dividend in view of the need to conserve available cash resources for raw material acquisitions and capital expenditure.

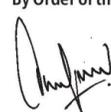
DIRECTORATE

There has been no change to the Directorate.

OUTLOOK

The recent award of a 75% increase in wages within the packaging industry will impact on pricing structures and quite possibly on overall demand. Export performance can expect some reduction as our local cost base rises. The increase in the funds retention from exports to 40% further erodes our ability to obtain sufficient foreign exchange. The Authorities have warned of a third wave of the COVID-19 pandemic although this is expected to be mitigated by the vaccination programme that commenced in January 2021.

By Order of the Board



JP Van Gend
Group Managing Director

68 Birmingham Road
Southerton, Harare

27 May 2021

Independent Auditor's Report on Review of Inflation Adjusted Interim Financial Information To the Shareholders of Nampak Zimbabwe Limited.

Introduction

We have reviewed the accompanying inflation adjusted abridged consolidated interim results of Nampak Zimbabwe Limited and its subsidiaries ("the Group") as at 31 March 2021 and the related inflation adjusted interim consolidated statement of comprehensive income, inflation adjusted interim consolidated statement of changes in equity and inflation adjusted consolidated interim statement of cash flows for the six month period then ended, and a summary of significant accounting policies and other explanatory notes.

Management is responsible for the preparation and fair presentation of this interim financial information in accordance with International Accounting Standard (IAS) 34 - Interim Financial Reporting. Our responsibility is to express a conclusion on this interim financial information based on our review.

Scope of review

We conducted our review in accordance with International Standard on Review Engagements 2410 - Review of Interim Financial Information Performed by the Independent Auditor of the Entity. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial information of Nampak Zimbabwe Limited does not present fairly, in all material respects, the inflation adjusted consolidated financial position of the Group as at 31 March 2021, and of its inflation adjusted consolidated financial performance and its inflation adjusted consolidated cash flows for the six month period then ended, in accordance with International Financial Reporting Standards



DELOITTE & TOUCHE
CHARTERED ACCOUNTANTS (ZIMBABWE)
PER: TAPIWA CHIZANA
PARTNER
REGISTERED AUDITOR
PAAB PRACTICE CERTIFICATE NUMBER: 0444

DATE: 2 JUNE 2021