



Nampak
Zimbabwe
Limited

REVIEWED ABRIDGED CONSOLIDATED RESULTS FOR THE SIX MONTHS ENDED 31 MARCH 2023

ABRIDGED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE SIX MONTHS ENDED 31 MARCH 2023

	INFLATION ADJUSTED		HISTORICAL *	
	6 Months 31 March 2023 ZWS 000 Reviewed	6 Months 31 March 2022 ZWS 000 Restated	6 Months 31 March 2023 ZWS 000 Unaudited	6 Months 31 March 2022 ZWS 000 Unaudited
CONTINUING OPERATIONS				
Revenue	44 804 689	28 647 409	39 037 593	7 129 895
Raw materials and consumables used	(24 254 770)	(15 739 258)	(19 839 002)	(3 629 866)
Selling and distribution expenses	(325 908)	(192 785)	(289 849)	(45 012)
Depreciation and amortisation expenses	(313 337)	(175 952)	(117 576)	(33 171)
Employee expenses	(5 547 727)	(3 521 704)	(4 825 885)	(867 543)
Other operating expenses	(6 310 483)	(4 043 518)	(5 534 678)	(984 188)
Other operating income	222 756	102 497	418 553	25 238
Trading income	8 275 220	5 076 689	8 849 156	1 595 353
Other material income	2 473 288	494 290	2 141 386	79 729
Net monetary loss on hyperinflation	(3 601 871)	(1 884 426)	-	-
Operating profit	7 146 637	3 686 553	10 990 542	1 675 082
Finance income	9 786	37 181	8 392	9 362
Finance costs	(14 326)	(10 527)	(12 504)	(2 596)
Profit before tax	7 142 097	3 713 207	10 986 430	1 681 848
Income tax expense	(3 510 736)	(2 266 869)	(2 980 701)	(447 017)
Profit for the period	3 631 361	1 446 338	8 005 729	1 234 831
Earnings per ordinary share (cents)	480.56	191.40	1 059.45	163.41
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 2023

	INFLATION ADJUSTED			HISTORICAL *	
	As at 31 March 2023 ZWS 000 Reviewed	As at 30 Sept 2022 ZWS 000 Restated	As at 30 Sept 2021 ZWS 000 Restated	As at 31 March 2023 ZWS 000 Unaudited	As at 30 Sept 2022 ZWS 000 Unaudited
ASSETS					
Non-current assets	5 191 872	4 220 493	2 686 326	2 627 848	1 866 246
Property, plant and equipment	4 554 354	3 980 653	2 308 395	1 857 714	1 255 889
Right of use assets	222 095	159 585	239 543	123 929	33 346
Intangible assets	2 442	2 442	2 444	2 442	2 443
Biological assets	67 301	75 603	134 731	57 883	57 883
Investments	2 209	2 210	1 213	410	410
Deferred tax asset	343 471	-	-	585 470	516 275
Current assets	32 974 981	24 121 359	16 442 202	31 098 623	16 687 103
Inventories	11 067 316	7 706 487	4 733 019	9 457 408	4 750 805
Trade and other receivables	19 357 546	14 427 689	9 421 343	19 091 096	10 414 873
Cash and cash equivalents	2 550 119	1 987 183	2 287 840	2 550 119	1 521 425
TOTAL ASSETS	38 166 853	28 341 852	19 128 528	33 726 471	18 553 349
EQUITY AND LIABILITIES					
Capital and reserves	20 958 537	18 086 073	14 184 918	18 140 877	10 894 046
Share capital and share premium	24 810	24 810	24 810	24 810	24 810
Non distributable reserves	15 663 669	15 663 669	15 663 827	752 343	752 343
Retained earnings / (Accumulated loss)	5 270 058	2 397 594	(1 503 719)	17 363 724	10 116 893
Non-current liabilities	1 248 982	832 638	331 725	275 486	119 737
Non current lease liability	275 486	156 393	166 545	275 486	119 737
Deferred tax liabilities	973 496	676 245	165 180	-	-
Current liabilities	15 959 334	9 423 141	4 611 885	15 310 108	7 539 566
Trade payables	7 709 361	2 600 834	1 312 731	7 522 660	1 991 247
Other payables	5 989 961	5 056 130	2 833 439	5 527 436	4 201 201
Current portion of lease liability	93 573	162 903	103 412	93 573	119 621
Shareholders for Dividends	175 300	-	-	175 300	-
Current tax payable	1 991 139	1 603 274	362 303	1 991 139	1 227 497
TOTAL EQUITY AND LIABILITIES	38 166 853	28 341 852	19 128 528	33 726 471	18 553 349

ABRIDGED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE SIX MONTHS ENDED 31 MARCH 2023

	INFLATION ADJUSTED - Reviewed			
	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 2021	24 810	15 663 827	(1 503 719)	14 184 918
Profit for the period	-	-	1 446 338	1 446 338
Balance as at 31 March 2022 (Restated)	24 810	15 663 827	(57 381)	15 631 256
Profit for the period	-	-	2 454 817	2 454 817
Transfer between Reserves	(158)	158	-	-
Balance as at 30 September 2022 (Restated)	24 810	15 663 669	2 397 594	18 086 073
Profit for the period	-	-	3 631 361	3 631 361
Interim Dividend Declared	-	-	(758 897)	(758 897)
Balance as at 31 March 2023 (Reviewed)	24 810	15 663 669	5 270 058	20 958 537

ABRIDGED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE SIX MONTHS ENDED 31 MARCH 2023

	HISTORICAL *			
	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 2021	24 810	752 464	1 797 484	2 574 758
Profit for the period	-	-	1 234 831	1 234 831
Balance as at 31 March 2022	24 810	752 464	3 032 315	3 809 588
Profit for the period	-	-	7 084 457	7 084 457
Transfer between Reserves	-	(121)	121	-
Balance as at 30 September 2022	24 810	752 343	10 116 893	10 894 046
Profit for the period	-	-	8 005 729	8 005 729
Interim Dividend Declared	-	-	(758 897)	(758 897)
Balance as at 31 March 2023	24 810	752 343	17 363 725	18 140 877

ABRIDGED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE SIX MONTHS ENDED 31 MARCH 2023

	INFLATION ADJUSTED		HISTORICAL *	
	6 Months 31 March 2023 ZWS 000 Reviewed	6 Months 31 March 2022 ZWS 000 Restated	6 Months 31 March 2023 ZWS 000 Unaudited	6 Months 31 March 2022 ZWS 000 Unaudited
Cash generated from operating activities	6 308 191	3 334 440	10 836 979	1 703 504
(4 363 958)	(1 886 562)	(8 597 097)	(1 130 181)	
Working capital changes	(2 142 359)	(479 343)	(6 375 926)	(824 897)
Net finance (costs) / income	(4 540)	26 657	(4 112)	6 766
Tax paid	(2 217 059)	(1 433 876)	(2 217 059)	(312 050)
Net cash generated from operating activities	1 944 233	1 447 878	2 239 882	573 323
Investing activities	(916 793)	(750 323)	(783 340)	(197 943)
Purchase of plant and equipment and intangible assets	(948 027)	(768 523)	(810 049)	(209 016)
Proceeds on disposal of property, plant and equipment	31 234	18 200	26 709	11 073
Net cash (utilised) / generated before financing activities	1 027 440	697 555	1 456 542	375 380
Financing activities	(464 504)	(8 830)	(427 848)	18,512
Increase / (decrease) in lease liability	119 093	(8 830)	155 749	18 512
Dividends paid (interim)	(583 597)	-	(583 597)	-
Net increase in cash and cash equivalents	562 936	688 725	1 028 694	393 892
Cash and cash equivalents at the beginning of the period	1 987 183	2 287 840	1 521 425	460 464
Cash and cash equivalents at the end of the period	2 550 119	2 976 565	2 550 119	854 356
REPRESENTED BY:				
Bank balances, cash and short term deposits	2 550 119	2 976 565	2 550 119	854 356

* Refer to Note 2.

NOTES TO THE INFLATION ADJUSTED FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 31 MARCH 2023

1. 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 2023 were authorised for issue in accordance with a resolution of the directors on 21 June 2023.

2. BASIS OF PREPARATION

These abridged consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) and 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 a review conclusion 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) for the period to January 2023. From February 2023, the government of Zimbabwe through Statutory instrument 27 of 2023, legislated the publication of blended CPI rates which took into account general price changes in both the US\$ currency and the ZWS\$ currency.

In terms of the requirements of IAS29 para 17 "A general price index may not be available for the periods for which the restatement of property, plant and equipment is required by this Standard. In these circumstances, it may be necessary to use an estimate based, for example, on the movements in the exchange rate between the functional currency and a relatively stable foreign currency". The group considered the movement in the RBZ auction market foreign exchange rate for the alternative computation of CPI indices for the two months February and March 2023, in line with the provisions of IAS 29.

The indices and conversion factors used were as follows:

	Indices	Conversion factor
CPI as at 31 March 2023	16 605	1.00
CPI as at 30 September 2022	12 713	1.31
CPI as at 31 March 2022	4 766	3.48
CPI as at 30 September 2021	3 342	4.97

3. 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.



NAMPAK ZIMBABWE LIMITED REVIEWED ABRIDGED CONSOLIDATED RESULTS FOR THE SIX MONTHS ENDED 31 MARCH 2023 (continued)

4. 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.

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 and 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. PRIOR PERIOD ERROR

Nampak Zimbabwe Limited is a subsidiary of Nampak International through Nampak Southern Africa Holdings.

Following the introduction of a currency called the RTGS dollar through Statutory Instrument 33 of 2019 ("SI33/19") with effect from 22 February 2019, Nampak Zimbabwe applied the exchange rate of 1:1 as mandated by the RBZ for the period up to the effective date of SI 33/19. The Nampak group reported the financial information in hyperinflation terms for the first time by uplifting the October 2018 opening balances using the relevant factors. This treatment resulted in the differences between the reported financial information and the numbers submitted to the parent shareholder which complied fully with the IFRS reporting framework.

The differences in the treatment of the opening balances for the 2019 financial calendar resulted in the qualification of the local statutory financial statements as they did not comply with IAS 21 - "The Effects of Changes in Foreign Exchange Rates" with respect to comparative financial information on property, plant and equipment, depreciation, deferred tax and retained earnings.

Nampak Zimbabwe has now aligned the current and comparative financial information with the Nampak group reported financial information which is in compliance with the IFRS reporting framework.

The effect of aligning the accounts on the Nampak Zimbabwe group is detailed below:

	INFLATION ADJUSTED	
	As at 30 Sept 2022 ZWS 000	As at 31 March 2023 ZWS 000
Changes in Profit / (loss)		
Decrease in depreciation charge	1 010 505	509 873
Decrease in other operating expenses	11 730	9
Increase in Net monetary loss	(1 920 948)	(236 254)
(Decrease) / increase in profit before tax	(898 713)	273 628
Decrease in tax charge	1 383 903	632 793
Increase in Profit after tax	485 190	906 421

Changes in the Statement of Financial Position

	INFLATION ADJUSTED	
	As at 30 Sept 2022 ZWS 000	As at 30 Sept 2021 ZWS 000
Decrease in Property, Plant and Equipment	(8 063 268)	(8 912 077)
Increase in Deferred Tax Asset	205 738	12 102
Decrease in investments	(390)	(12)
Decrease in Deferred tax liability	1 209 765	1 958 690
Other Payables	693 193	592 013
Total decrease in net assets	(5 954 962)	(6 349 284)
Change in Equity		
Decrease in Share Capital and Premium	(6 398 694)	(6 307 767)
Decrease in Non Distributable Reserves	419 308	299 833
Increase / (decrease) in Distributable reserves	24 424	(341 350)
Total Change in Equity	(5 954 962)	(6 349 284)

7. EARNINGS PER SHARE

Basic earnings per share amounts are calculated by dividing net profit or loss for the period attributable to ordinary equity holders by the number of ordinary shares in issue.

Headline earnings is based on net profit for the period attributable to members after adjusting for other income net of tax.

Basic and headline earnings per share are based on a weighted average of 755 648 101 (2022 : 755 648 101) ordinary shares in issue during the period.

	INFLATION ADJUSTED		HISTORICAL *	
	6 Months 31 March 2023 ZWS 000 Reviewed	6 Months 31 March 2022 ZWS 000 Reviewed	6 Months 31 March 2023 ZWS 000 Unaudited	6 Months 31 March 2022 ZWS 000 Unaudited
Determination of headline earnings or loss				
Profit for the period	3 631 361	1 446 338	8 005 729	1 234 831
Adjust for:				
Net exchange gain on foreign currency- net of tax	(1 862 342)	(123 453)	(1 612 411)	(60 020)
Retrenchment and restructuring costs - net of tax	450	16,649	450	15,445
Headline earnings	1 769 469	1 339 534	6 393 768	1 190 256
Earnings per share				
Earnings attributable to ordinary members	3 631 361	1 446 338	8 005 729	1 234 831
Ordinary shares in issue at period end	755 648 101	755 648 101	755 648 101	755 648 101
Earnings per ordinary share (cents)	480.56	191.40	1,059.45	163.41
Headline earnings per share				
Headline earnings attributable to ordinary members	1 769 469	1 339 534	6 393 768	1 190 256
Ordinary shares in issue at period end	755 648 101	755 648 101	755 648 101	755 648 101
Earnings per ordinary share (cents)	234.17	177.27	846.13	157.51

8. CONTINGENT LIABILITIES

8.1 Uncertain tax positions

There have been significant currency changes in Zimbabwe since 2018. These changes created some uncertainties in the tax treatment of transactions for tax purposes due to the absence of immediate and clear guidelines and transitional measures.

The Zimbabwe Revenue Authority (ZIMRA) has made some assessments relating to the provisions and reversals of the legacy debts related transactions. These assessments are being challenged and objected to through the relevant ZIMRA levels of authority in line with the legal provisions. The Group anticipates a favourable determination on the tax matters.

9. SUBSEQUENT EVENTS

During the month of May 2023 the Government of Zimbabwe announced monetary and fiscal measures that were designed to address the inflationary challenges persisting in the economy. The liberalisation of the foreign currency auction market resulted in a depreciation in the rate of exchange between the ZWS and USD in excess of 285%, from 31 March 2023 to the date of the authorisation of these financial statements. Other than with respect to the valuation of foreign transactions and balances in the ordinary course of business, the Directors do not believe that these measures will have a material impact on the Group in the near future.

10. REVIEW CONCLUSION

These inflation adjusted abridged consolidated interim financial results for the six months ended 31 March 2023 have been reviewed by Deloitte & Touche in accordance with ISRE 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". The auditors issued an unqualified conclusion on the Financial Statements. 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 (PAAB number 0444).

11. 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 statements.

Segment reporting for the period ended 31 March 2023

	INFLATION ADJUSTED - Reviewed			
	Printing & Converting ZWS 000	Plastics & Metals ZWS 000	Services & Eliminations ZWS 000	Total ZWS 000
Sales to local customers	17 693 262	21 954 457	-	39 647 719
Sales to export customers	3 435 093	1 721 877	-	5 156 970
Intersegmental sales	532 348	14 176	(546 524)	-
Total Sales	21 660 703	23 690 510	(546 524)	44 804 689
Results from operations				
Trading income	4 695 962	4 533 990	(954 732)	8 275 220
Operating profit	3 718 044	4 330 102	(901 509)	7 146 637
Net finance (costs) / income	(24 303)	3 468	16 295	(4 540)
Taxation charge	(1 451 587)	(1 987 886)	(71 263)	(3 510 736)
Profit for the period	2 242 154	2 345 684	(956 477)	3 631 361
Other information				
Segment assets	19 065 525	19 234 179	(132 851)	38 166 853
Segment liabilities	10 348 432	7 296 446	(436 562)	17 208 316
Capital expenditure	276 541	671 486	-	948 027
Depreciation and amortisation	215 727	183 994	(86 384)	313 337
Other material income	(538 964)	(1 723 098)	(211 226)	(2 473 288)
Monetary loss on hyperinflation	1 516 882	1 926 986	158 003	3 601 871

Segment reporting for the period ended 31 March 2022

	INFLATION ADJUSTED - Reviewed			
	Printing & Converting ZWS 000	Plastics & Metals ZWS 000	Services & Eliminations ZWS 000	Total ZWS 000
Sales to local customers	9 435 030	16 528 474	-	25 963 504
Sales to export customers	2 076 518	607 387	-	2 683 905
Intersegmental sales	272 586	70	(272 656)	-
Total Sales	11 784 134	17 135 931	(272 656)	28 647 409
Results from continuing operations				
Trading income	1 765 262	3 385 538	(74 111)	5 076 689
Operating profit	842 365	2 678 470	165 718	3 686 553
Finance income / (expense)	41 244	(36 714)	22 124	26 654
Taxation charge	(821 749)	(1 392 030)	(53 090)	(2 266 869)
Profit for the period	61 860	1 249 726	134 752	1 446 338
Other information				
Segment assets	10 991 848	4 604 496	(665 961)	14 930 382
Segment liabilities	4 691 008	1 449 014	(756 100)	5 383 922
Capital expenditure	242 117	526 406	-	768 523
Depreciation and amortisation	186 833	128 147	(139 028)	175 952
Other material (income) / expenses	(109 118)	45 955	(431 127)	(494 290)
Monetary loss on hyperinflation	1 032 015	661 113	191 298	1 884 426

Segment reporting for the period ended 31 March 2023

	HISTORICAL *			
	6 Months 31 March 2023 ZWS 000 Reviewed	6 Months 31 March 2022 ZWS 000 Reviewed	6 Months 31 March 2023 ZWS 000 Unaudited	6 Months 31 March 2022 ZWS 000 Unaudited
Sales to local customers	2 332 077	4 111 769	-	6 443 846
Sales to export customers	535 260	150 789	-	686 049
Intersegmental sales	70 176	21 580	(91 756)	-
Total Sales	2 937 513	4 284 138	(91 756)	7 129 895
Results from continuing operations				
Trading income	4 219 898	4 511 939	117 319	8 849 156
Operating income	4 650 415	6 042 429	297 698	10 990 542
Net finance (costs) / income	(21 319)	3 227	13 980	(4 112)
Taxation charge	(1 283 933)	(1 649 577)	(47 191)	(2 980 701)
Profit for the period	3 345 163	4 396 079	264 487	8 005 729
Other information				
Segment assets	17 696 200	16 106 844	(76 573)	33 726 471
Segment liabilities	10 025 497	6 346 119	(786 022)	15 585 594
Capital expenditure	142 892	566 374	100 783	810 049
Depreciation and amortisation	61 241	71 474	(15 139)	117 576
Other material income	(430 518)	(1 530 489)	(180 379)	(2 141 386)

Segment reporting for the period ended 31 March 2022

	HISTORICAL *			
	6 Months 31 March 2023 ZWS 000 Reviewed	6 Months 31 March 2022 ZWS 000 Reviewed	6 Months 31 March 2023 ZWS 000 Unaudited	6 Months 31 March 2022 ZWS 000 Unaudited
Sales to local customers	2 332 077	4 111 769	-	6 443 846
Sales to export customers	535 260	150 789	-	686 049
Intersegmental sales	70 176	21 580	(91 756)	-
Total Sales	2 937 513	4 284 138	(91 756)	7 129 895
Results from continuing operations				
Trading income	610 116	998 218	(12 981)	1 595 353
Operating profit	650 095	985 642	39 345	1 675 082
Net finance income / (costs)	12 076	(10 154)	4 844	6 766
Taxation charge	(183 530)	(263 487)	-	(447 017)
Profit for the period	478 641	712 001	44 189	1 234 831
Other information				
Segment assets	3 083 883	3 187 864	(272 317)	5 999 430
Segment liabilities	1 165 975	1 114 412	(147 582)	2 132 805
Capital expenditure	62 803	146 213	-	209 016
Depreciation and amortisation	36 756	17 617	(21 202)	33 171
Other material income / (expenses)	39 979	(12 576)	52 326	79 729



NAMPAK ZIMBABWE LIMITED REVIEWED ABRIDGED CONSOLIDATED RESULTS FOR THE SIX MONTHS ENDED 31 MARCH 2023 (continued)

12. OTHER MATERIAL INCOME

	INFLATION ADJUSTED		HISTORICAL	
	6 Months 31 March 2023 ZWS 000 Reviewed	6 Months 31 March 2022 ZWS 000 Reviewed	6 Months 31 March 2023 ZWS 000 Unaudited	6 Months 31 March 2022 ZWS 000 Unaudited
Retrenchment, termination and restructuring costs	598	77,054	498	(14,532)
Net exchange (gain) / loss on foreign currency	(2 473 886)	(571 344)	(2 141 884)	94 261
Total	(2 473 288)	(494 290)	(2 141 386)	79 729

COMMENTARY

ECONOMY

The economic environment continues to face headwinds such as the severe power cuts which disrupted operations during the period and constrained our ability to supply as demand remained firm. There was an increase in the share of United States dollar (USD) transactions compared to the Zimbabwe dollar (ZWS) in the period under review. The global supply chain of some of our key imported commodities such as resins and tin plate remain constrained due to the on-going war in Ukraine.

VOLUMES AND FINANCIAL PERFORMANCE

The half year reflected a marginal increase in volumes for the Group of 2% over the prior year period which was mainly due to the severe power cuts experienced at Megapak plant in Ruwa as well as a ZESA fault that affected our CMB plant for a period of about 8 weeks. Although foreign currency inflows improved over the period, the tight liquidity conditions in the economy affected our ability to replenish raw materials on time.

Revenue for the half year at ZW\$44,8 billion, in hyper-inflationary terms was 56% ahead of the prior year period. Sales volumes were up on tobacco cases and closures, but down all other sectors of the business. Trading margins were unchanged compared to the prior year as Nampak sought to remain competitive. The trading profit of ZW\$8,3 billion was 63% ahead of prior year.

All units continued to trade profitably as treasury and cash flow management remain the key focus area. Net working capital for the half year increased mainly due to increases in foreign currency denominated trade receivables and inventory as the Group sought to preserve value.

Users of these financial statements should note the inherent challenges of converting the financial statements into a stable currency given the contrasting exchange rates prevailing in the country at the time of reporting.

PRINTING AND CONVERTING SEGMENT

Hunyani Paper and Packaging: Sales volumes for the period were 10% ahead of the prior year period. The major contributor to this increase was the tobacco sector which was up 25%, due to additional volume demand from the region. Commercial volumes were 8% down on the prior year period due to reduced supply of raw materials.

PLASTICS AND METALS SEGMENT

MegaPak: Sales volumes were 9% below prior year period due to incessant power cuts in Ruwa. An additional generator was procured to reduce the negative effects of the power cuts.

CarnaudMetalbox: Sales volumes for the half year were marginally down compared to the prior year period. In plastics, HDPE was 5% ahead of the prior year period due to increased demand. Metals volumes were significantly down due to raw material shortages, particularly in the first quarter. Closures volumes were significantly up on prior year period due to improved demand.

CAPITAL EXPENDITURE

Capital expenditure of ZWL\$810 million in historical terms relates mainly to the Netstal injection moulders and generator for Megapak. The Group continues to evaluate other projects in order to maintain or improve capacity, provided we obtain the foreign currency to undertake the projects.

DIVIDEND

The Board declared an interim dividend of ZW\$ 100.43 cents per share, which was paid on 10 March 2023.

DIRECTORATE

At the most recent AGM held in March 2023, the Chairman of the Board, Mr Kumbirayi Katsande, stepped down from the board with effect from 8 March 2023. Mr Alan Howie, a member of the Board was appointed as the new Chairman of the Board. There have been no other changes to the Directorate.

OUTLOOK

The overall situation facing the economy remains challenging. With the election season upon us, we anticipate a continuation of the current multi-currency environment. The deteriorating inflationary trends will continue to exert further pressure on NECs for wage increases a consequence of the multi-currency environment the Group is operating in. We anticipate that the Group will remain profitable through to year end although exchange rate volatility will affect raw material supplies.

By Order of the Board

J P Van Gend
Group Managing Director

21 June 2023

68 Birmingham Road
Southerton, Harare

Directors: A. H. Howie (Chairman), J. P. Van Gend* (Group Managing Director), M. Matafeni* (Group Finance Director), S. H. Murray, H. Nesor, Q. Swart, M. Valela (A. Makamure, Alt) * Executive Directors

P O Box 4351, Harare, 68 Birmingham Road, Southerton, Harare, Zimbabwe. Telephone 662730/9, 0772192291/3

INDEPENDENT AUDITOR'S REPORT ON THE REVIEW OF INFLATION ADJUSTED ABRIDGED CONSOLIDATED FINANCIAL INFORMATION

TO THE SHAREHOLDERS OF NAMPAK ZIMBABWE LIMITED

Introduction

We have reviewed the accompanying inflation adjusted abridged consolidated interim financial information of Nampak Zimbabwe Limited and its subsidiaries ("the Group") as at 31 March 2023 and the related inflation adjusted abridged consolidated statement of comprehensive income, inflation adjusted abridged consolidated statement of changes in equity and inflation adjusted abridged consolidated statement of cash flows, for the six month period then ended, and selected explanatory notes.

Management is responsible for the preparation and fair presentation of this inflation adjusted abridged consolidated interim financial information in accordance with International Accounting Standard (IAS) 34 - Interim Financial Reporting and the Securities and Exchange (Zimbabwe Stock Exchange Listings Requirements) Rules, 2019. Our responsibility is to express a conclusion on this inflation adjusted consolidated 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 inflation adjusted abridged consolidated 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 inflation adjusted abridged consolidated interim financial information does not present fairly, in all material respects, the inflation adjusted abridged consolidated interim financial position of Nampak Zimbabwe Limited and its subsidiaries, as at 31 March 2023, and of its inflation adjusted abridged consolidated financial performance and its inflation adjusted abridged consolidated interim cash flows for the six month period then ended in accordance with International Accounting Standard (IAS) 34 - Interim Financial Reporting and the Securities and Exchange (Zimbabwe Stock Exchange Listings Requirements) Rules, 2019.

Deloitte & Touche

Deloitte & Touche
Chartered Accountants (Zimbabwe)
Per: Tapiwa Chizana
Registered Auditor
PAAB Practice Certificate Number: 0444

Date: 29 June 2023

