



Nampak
packaging excellence

Integrated Report

for the year ended
30 September 2023



Nampak is **Africa's leading packaging company**. Headquartered in South Africa, we have **30 manufacturing operations in nine countries**. We concentrate on investing in our people and their skills as well as in advanced machinery supported by research and development. We strive to ensure the recyclability of our products and to minimise their impact on the environment. We are a **trusted partner** to our many customers – among them the world's best-known brands and the largest FMCG companies – providing quality products and service excellence to ensure that together we **deliver exceptional food safety**.

Our values

 Safety	 Excellence
 Responsibility	 Teamwork
 Integrity	

Our mission and purpose

To **deliver value to all our stakeholders** while conducting ourselves as a **responsible corporate citizen** and a **leader in packaging** production and innovation.

Sustainable Development Goals

We consider all of the 17 Sustainable Development Goals, but we specifically focus on goals 3, 5, 8, 9, 12 and 13



For definitions of all SDGs see: sdgs.un.org/goals

Our renewed vision

To be the **leading packaging solutions partner in select geographies**.

Forward-looking information

This integrated report contains forward-looking statements that, unless otherwise indicated, reflect the group's expectations at year-end. Actual results may differ materially from the group's expectations. The group cannot guarantee that any forward-looking statements will materialise and, accordingly, readers are cautioned not to place undue reliance on them. The group disclaims any intention and assumes no obligation to revise any forward-looking statement, even if new information becomes available, other than as required by the JSE Limited Listings Requirements or any other applicable regulations.

Report feedback

We strive to improve our reporting and welcome any comments that may assist us in doing so. Please contact teboho.lempe@nampak.com

Contents

2023 was a year of much-needed intervention at Nampak. We embarked on implementing a comprehensive turnaround plan, inclusive of board and management changes; a business model review; a capital and debt restructuring programme; rights offer and the adoption of a new strategy focused on our core Metals business. The extensive transformation agenda has been well executed to date notwithstanding macroeconomic headwinds and other vagaries in most geographies. Increased competition was particularly evident in the short term attempting to capitalise on the temporary hiatus that the company has been experiencing. We have remained resolute in ensuring that Nampak remains a critical contributor to the extensive value chain within which we participate. Significant milestones have been reached and the momentum of renewal gains traction.

Our suite of reports



IR
Integrated Report

SR
Sustainability Report

AFS
Annual Financial Statements

RR
Remuneration Report



All are available on our website: nampak.com

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About our report

Our integrated report's **primary purpose** is to communicate Nampak's value creation story to all stakeholders. It is also an important method of explaining our business to providers of financial capital in accordance with the Integrated Reporting Framework. It aims to assist our stakeholders in making an informed assessment of our performance, prospects and impacts.

The **process to prepare** our report includes consulting with the Integrated Reporting Committee of South Africa; interviews with executives on their areas of responsibility; as well as numerous discussions throughout the year, in particular during the budget and strategic planning processes.

Our report is prepared by senior managers under the supervision of the chief financial officer together with contributions and guidance from external consultants. The report is presented to the executive committee for its review, and later to the audit and risk committee for further input, before being submitted to the board for its review, and final approval.

Financial information

This report was prepared in accordance with the recognition and measurement criteria of International Financial Reporting Standards (IFRS) and was derived from the consolidated financial statements and is consistent in all material respects. Copies of the independent auditor's report are available for inspection at the company's registered office.

Non-financial information

We use local and international standards and guidelines including:

- › The Integrated Reporting Framework;
- › The FTSE/JSE Responsible Investment Index Series;
- › GRI and CDP standards;
- › JSE Sustainability and Climate Change Disclosure Guidance;
- › JSE Listings Requirements;
- › The Companies Act, No. 71 of 2008 ; and
- › The King IV Report on Corporate Governance for South Africa (King IV™*)

Scope and boundary

Reporting boundary for the integrated report

(Risks, opportunities and outcomes)

Nampak

South Africa and the Rest of Africa

Subsidiaries

Associates

Joint arrangements

Other investments

Stakeholders

Customers | Communities and civil society
| Employees and trade unions | Suppliers |
Shareholders, investment community and funders
| Industry, government and regulatory bodies

Operating businesses

We report by packaging substrate — Metals, Plastic and Paper — and by geography — South Africa and Rest of Africa. All significant items are on a comparable basis.

Significant changes during the reporting period

New appointments to the board were made to support the executive management in refocusing the business to reduce debt and improve operational performance.

The executive management was strengthened with the appointment of a new chief executive officer and a chief restructuring officer. The group executive committee was also rationalised.

In order to strengthen the group's capital and funding structure, a rights issue and refinancing were successfully implemented during the year, with a target of raising at least R1.0 billion. The rights issue was 38% oversubscribed. In addition, the group's bespoke financing package will provide funding for the future and has segregated historical debt that will be settled from disposal proceeds from operation funding requirements.

Reporting period

This report covers the period from 1 October 2022 to 30 September 2023. Significant events, if any, after year-end and before the approval date of this report, are also included.

Internal control and assurance

The board, supported by the audit and risk committee, ensures an effective control environment which supports the integrity of our information. Our systems of internal control are designed to provide reasonable assurance against material misstatement. We assessed our controls in 2023 to be adequate and effective through management confirmations and reports from internal and external auditors.

Materiality

We apply the principle of materiality in assessing this report's content and only include those items (see page 16) that have or may have a significant impact on our ability to deliver on our **strategy**, create stakeholder value and affect the group's sustainability. The board discusses and agrees those items it considers to be material for Nampak's future. The determination of materiality is informed by key **stakeholder** matters; **risks and opportunities**; and the availability of and impact on the **six capitals** over three time horizons.

Time horizons

We consider the **short term** as 12 months ahead; the **medium term** as one to three years ahead; and the **long term** as more than three years ahead.

Our material issues



Capital and debt structure



Sustainability considerations



Macroeconomic challenges



Rejuvenation and growth

Our strategy

Create ONE Nampak



Reshape the portfolio



Strategic customer management



Reset cost base and drive efficiencies



Build a performance culture



Strengthen brand position

What the six capitals mean to us



Human capital

Skilled and experienced high-performing people whose diversity, inclusion, ethics, health, safety and development are important.



Manufactured capital

State-of-the-art equipment and modernised factories to enable us to produce world-class packaging with a reduced environmental impact. We also rely on public infrastructure, including ports and roads.



Intellectual capital

Our R&D team's expertise supports our competitive advantage. Along with our experience in operations, processes and licensed technologies, we provide fit-for-purpose packaging.



Financial capital

Equity financing, debt funding, cash generated by operations and — where appropriate — proceeds from disposals to sustain and grow our business. Utilisation of credit terms from suppliers.



Social capital

Trusted relationships with our stakeholders that create an enabling environment for our business and for the communities in which we operate.



Natural capital

Reliable and affordable supplies of water, energy, land and air are essential. We take seriously our responsibility to care for the environment.

Approval by the board

Nampak's board of directors acknowledges its responsibility for ensuring the integrity of the integrated report. In the opinion of directors, the 2023 integrated report addresses all material matters, fairly represents Nampak's performance and is presented in accordance with the framework of the IFRS Foundation and King IV™*. The board believes the report adequately captures Nampak's strategy to create value and confirms that Nampak is in compliance with the provisions of the Companies Act relating to its incorporation and is operating in conformity with its Memorandum of Incorporation.

Peter Surgy
Chairman

Phil Roux
CEO

Glenn Fullerton
CFO

Signed on behalf of the board
1 December 2023

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This is Nampak

Nampak is Africa's leading packaging company. With manufacturing facilities in nine countries, we supply trusted products and excellent service to a broad range of customers. We are a publicly owned entity whose shares have been listed on the Johannesburg Stock Exchange for 54 years.

In South Africa we are the largest manufacturer of **beverage cans**. In Angola we are the only producer of **beverage cans**. In Nigeria, our aluminium beverage cans comprise around half the market. We have substantial positions in other **metal and plastic packaging** in South Africa and other parts of the continent and are the only producer of two-piece tinplate cans and aluminium monobloc aerosol cans in our home market. We are a notable manufacturer of **paper packaging including liquid cartons** in several African countries.



In South Africa, Angola and Nigeria, the use of our beverage cans is promoted through the **CAN DO! brand**.
Choose **CANS**

Our world-class **R&D facility** supports our factories in becoming more efficient and helps our customers ensure the safety of their products. It also helps them develop more environmentally friendly packaging and provides them with reliable and innovative packaging best suited to their needs.

We use increasing amounts of recycled material in our production processes and continue to reduce the weight of our products and, in so doing, their **environmental** impact.

Our business is focused on producing aluminium and tinplate cans, plastic bottles, drums, closures and on paper cartons and boxes.

Nampak is being positioned to be a high-quality, market-leading business with distinctive capabilities, operating in a competitive market segment with sustainable growth characteristics, underpinned by a blue-chip customer base.

Trust is fundamental to all our actions and underpins our **social capital**. In our work to create value, we rely on many different stakeholders and are active members and participants of numerous organisations and programmes, among them:

- › MetPac-SA
- › Collect-a-Can
- › SA Plastics Pact
- › PETCO, Polyco
- › The Fibre Circle
- › YES4Youth
- › Science Based Targets initiative
- › Integrated Reporting Committee of South Africa

Key metrics at year-end

Our market capitalisation

R1.8bn (R1.3bn)

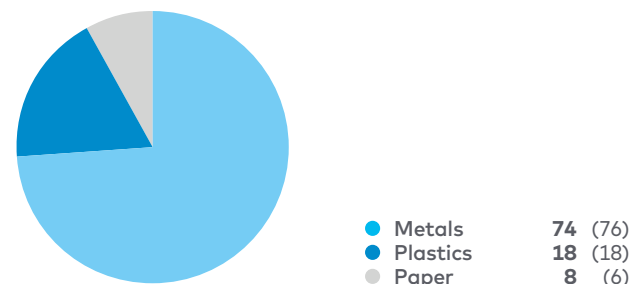
Our turnover

R16.6bn (R16.9bn)

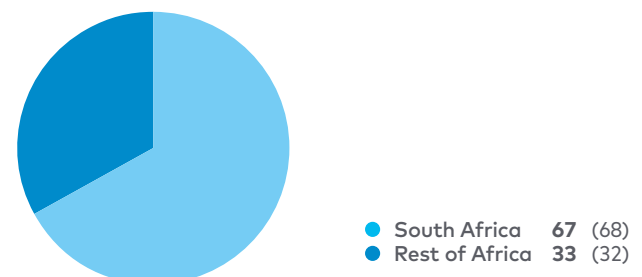
Our assets

R13.9bn (R17.9bn)

Our revenue by substrate (%)



Our revenue by geography (%)






Numbers in brackets refer to prior year

Our presence

9 Countries (10)	3 667 Employees (4 314)	30 Manufacturing operations (33)
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Key

-  Metals
-  Plastic
-  Paper

Zambia
Operations
2 (2)
Employees
102 (107)



Ethiopia
Operations
1 (1)
Employees
10 (10)



Isle of Man
Treasury and
procurement
office
Employees
12 (12)

Nigeria
Operations
1 (2)
Employees
195 (352)



Kenya
Operations
1 (2)
Employees
61 (86)



Angola
Operations
1 (1)
Employees
147 (128)



Tanzania
Operations
(1)
Employees
(0)



Botswana
Operations
1 (1)
Employees
18 (18)



Malawi
Operations
1 (1)
Employees
33 (32)



South Africa*
Operations
19 (19)
Employees
2 639 (3 102)



Zimbabwe
Operations
3 (3)
Employees
450 (467)



* Including corporate office and R&D

(2022 numbers are in brackets)



A snapshot of our performance

In 2023, Nampak recorded a marginal decline in revenue and an increase in trading profit. However, significant foreign exchange losses, impairments and interest charges resulted in substantial operating losses.

For providers of financial capital



Revenue down 2% to

R16.6bn (R16.9bn)

Trading profit up 2% to

R1.6bn (R1.6bn)

Forex losses from Nigeria and Angola

R1.2bn (R0.5bn)

Operating loss

R2.6bn (R0.6bn profit)

Net loss

R4.0bn (R26m)

Cash generated from operations after working capital changes of

R1.6bn (R0.8bn)

HLPS of

46 811.7cps (HEPS: 7 589.2cps)

Current ratio

1.8 (1.4)

No dividend declared

Relevant SDG



For employees



Wages and salaries paid

R2.3bn (R2.1bn)

Investment in employee skills development

R33m (R36m)

Bursaries sponsored

8 (13)

Safety measure – LTIFR

0.16 (0.27)

Relevant SDG



For our environment



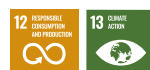
Encouraged greater recycling through membership of producer responsibility organisations including MetPacSA, Fibre Circle, PETCO, Polyco as well as Collect-a-Can

Released emissions through our manufacturing processes:

Scope 1 & 2 GHG emissions intensity (tCO₂e/net revenue)

15.1 (17.6)

Relevant SDGs



For society



B-BBEE contributor

Level 2 (Level 2)

Black female representation among non-executive directors

29% (50%)

Black female representation at management level

25% (27%)

Income taxes paid

R226m (R170m)

Continued financial support of hospices.

Supported a children's home.

Relevant SDGs



Our operating context

The environment in which we operate influences the development of our strategy and its delivery (page 12). It affects our efforts to create and preserve value and support the SDGs (page IFC). It impacts our risks and shapes our opportunities (page 24).



In 2023, subdued economic activity, high unemployment, reduced disposable income, elevated inflation, forex losses, impairments and high interest rates were critical economic features of the macro environment in which we operate, contributing to an important material issue identified in the year — macroeconomic challenges, details of which appear on page 17. Here we discuss a key characteristic of our operating context in 2023 — foreign exchange rate weaknesses in Nigeria and Angola, which resulted in significant forex losses, as well as the competitive landscape, developments in the packaging sector and consumer trends.

Forex volatility and liquidity

What's happening:

As a company with a large presence on the African continent, rising WACC rates, a weak naira, kwanza and ZWL and volatility in the rand value of earnings from the Rest of Africa operations significantly impacts our financial performance. A lack of market liquidity stifles the repatriation of cash, resulting in forex losses, constrains purchases of imported raw materials as well as our ability to return cash to the Isle of Man procurement and treasury operation to reduce forex losses. We are particularly exposed to movements in the Angolan kwanza, Nigerian naira and Zimbabwean ZWL against the dollar.

Forex losses of R1.2 billion were incurred in the year with R1.0 billion attributable to Nigeria.

The Nigerian losses were caused by a consistently weakening Naira in a forex market that was increasingly dysfunctional as foreign exchange became more scarce and dealings in the secondary currency market were commonplace at punitive rates. In June 2023 the Naira was floated and although healthy for the economy in the longer term, this resulted in a further significant weakening of the currency in both the official and secondary market. Due to the significant lack of liquidity in the Nigerian currency market, there are no formal hedging opportunities and our treasury function is reliant upon the allocation of US dollar liquidity by the Central Bank of Nigeria.

The large majority of raw material for our Nigerian Bevcan business is imported and denominated in US dollars. From the date raw materials are procured, until the date foreign suppliers are settled, the group is exposed to foreign currency risks and this can straddle financial reporting periods. The US dollar cost of inputs based on secondary market rates at invoice date is passed on to customers, but the cost of subsequent adverse currency movements on the group's exposure to foreign creditors typically exceeds the cost originally charged to customers. The increased cost to customers has an observed negative impact on local volume demand and this has to be considered when attempting to recover currency losses.

In Nigeria, the naira devalued by 44% during the year from NGN437.74/US dollar to NGN 776.79/US dollar. In Angola, the kwanza devalued by 47% from AOA 443.55/US dollar to AOA 842.04/US dollar with the majority of this devaluation occurring in the 47 days following 6 May 2023.

Our actions in 2023 and the outlook for 2024:

- › Reducing our assets to focus on our core business in two geographies — South Africa and Angola.
- › To address forex losses in Nigeria, we continue to adjust and monitor pricing terms with all customers to reflect rates at which foreign creditors are eventually settled. To minimise timing differences, we reduced terms in Nigeria.
- › It is the group's policy to hedge foreign-currency-exposed trading activities, except for the US dollar component of the group's debt. Notably, we cannot hedge against currency fluctuations in Nigeria, Angola and Zimbabwe.
- › Wherever possible the group tries to accelerate securing and transfer of dollars to settle foreign creditors thereby minimising forex losses.

Link to strategy



Relevant SDGs



Link to material issues



Related risks



The competitive landscape, developments in packaging and consumer trends

What's happening:

Competitive landscape

The industry in which we compete is highly competitive. This is a key limiting factor in our ability to set prices, pass-through cost increases to customers and optimise production costs.

Intense competition, aggressive pricing and customers diversifying their supplier bases remain features in South Africa following the entrance of new beverage can manufacturers in 2018 and the increased packaging capacity of many food can manufacturers and plastics processors. A carbonated soft drink and energy drink customer started operating its own beverage can line in 2022, bringing to four the number of local beverage can manufacturers.

Packaging industry

Beverage cans are witnessing historic levels of growth thanks to the format's sustainability credentials and convenience, an increase in off-premises consumption as well as consumer demand for new beverage options (such as energy drinks) where cans are the preferred packaging solution. Metal cans are the largest shelf-stable food pack type globally and demand for them continues to grow.

Note: See 'The magic of the can' on page 10.

Consumer trends

Globally, consumer trends are reshaping traditional perspectives:

- › Low GDP growth and high inflation mean a value-focused customer environment, impacting consumer behaviour and preferences. Low-cost competition is affecting volumes and margins.
- › Rapid changes and uncertainty characterise markets, with fragmentation of consumer needs and tastes; this is exacerbated by the rise of digitisation; the proliferation of marketing channels; a scramble for market share; the need for organisational agility; transformational technologies; cost and margin pressures; and a lack of self-directed leadership.
- › Companies need to define their market relevance; develop a strong capability; and ensure their brand and services align with consumer needs and expectations.
- › Digitisation has empowered consumers with access to vast amounts of information, enabling them to make more informed choices. This has led to a recalibration of consumer value and increased emphasis on quality, sustainability and personalisation.
- › Since the pandemic there is a higher propensity for consumers to switch brands; an ever increasing reliance on online shopping; and a shift in shopping behaviour. Traditional in-store shopper influences are less important. Consumers prioritise health, convenience and value. With more remote work, the way businesses interact with customers is less tied to physical locations. Consumer loyalty is less prevalent and brand switching is ever increasing.

Source: Consumer Rock International

Our actions in 2023 and the outlook for 2024:

- › Merging Bevcan and DivFood for cultural cohesion and reduced costs, with enhanced technical, manufacturing and customer-facing competencies which resulted in greater efficiencies.
- › Expanding production capacity for 500ml cans at Bevcan's Springs Line 2.
- › Addressing competition for volumes which is expected to continue intensifying, particularly for DivFood and Plastic, limiting our ability to pass on imported material price changes.
- › Continued focus to optimise operations and costs.

Link to strategy



Link to material issues



Relevant SDGs



Related risks



The magic of the can

Beverage cans are witnessing record growth

In 2021, the global market was worth US\$23.7 billion and poised to reach US\$31.2 billion by 2026. (Source: marketsandmarkets.com). Three-quarters of new beverage launches in North America are in cans, more than double the rate five years' ago. The big driving force behind this trend is the sustainable and environmentally friendly nature of aluminium cans. See operating context on page 8.



Advantages:

Reduced carbon footprint: Cans have a higher recycling rate and more recycled content than competing packaging. They are infinitely recyclable: aluminium retains its property throughout the recycling process. Cans can easily be stacked on top of each other and are lightweight. This makes for more effective transport utilisation per load, further reducing the carbon footprint.

Convenience: Cans are easy to stack and store, are lightweight, robust and travel-friendly. Cans are a preferred substrate for energy drinks, wine, water and seltzers. Their intrinsic quality retention is superior to other packaging. Cans have inherent safety properties.

Brand image: Cans' sleek and modern shape helps products stand out on the shelf, attracting consumer attention and increasing brand recognition.

Print flexibility: Cans allow for high-quality, visually appealing graphics, with space for detailed artwork, vibrant colours and eye-catching designs. This helps brands engage consumers.

Customisation options: Cans are easily customised, through shape, embossing, debossing, or specialised finishes like matte or gloss.

360° branding: Cans' continuous surface provides space for branding, maximising visibility.

Shelf impact: Cans' distinctive shape and vibrant printing conveys a sense of premium quality, professionalism and innovation, making products more appealing.

Product protection: Cans provide excellent product protection against light, air and moisture, helping to maintain freshness and quality.

SUPPORTED BY WORLD-CLASS R&D FACILITY

Food cans are the largest global shelf-stable food pack type

They represented 60% of new product launches between 2018 and 2023. In South Africa, the metal food can commands 75% of shelf-stable packaged food. It grew by 20% over the period 2018 to 2023.



Advantages:

Longer shelf life: Fruit and vegetables are predominantly packed in metal cans thanks to the pack's durability. Metal food cans, especially two-piece, are safe and secure and prevent spoilage prior to opening. Food used for canning is canned when fresh with no preservatives, sealing in the nutritional value. Once canned, the food can be stored at room temperature for years and thus save energy.

Convenience: Food packed in cans does not require refrigeration, making it particularly attractive to rural markets where many do not have access to refrigeration. Easy-open ends and peel-off lids offer added convenience allowing for opening on-the-go.

Affordability: Shelf-stable beans and canned fish offer a cheaper form of protein for consumers who are increasingly cash strapped. The expanding base of South Africans choosing to follow a plant-based diet boosts demand for shelf-stable beans.

Flexibility and recyclability:

Food cans have infinite flexibility as regards size, look and feel. This, together with tinplate's recyclability, will ensure they remain the dominant shelf-stable food pack type. In addition, the trend to light-weight cans enables brand owners to reduce their environmental footprint, improve their sustainability credentials and reduce costs, including those for transport.






SUPPORTED BY WORLD-CLASS R&D FACILITY

Our new strategy

In a year of considerable intervention at Nampak, we embarked on implementing the restructure of a turnaround plan, including management changes; a business model review; a capital and debt restructuring; and the adoption of a new strategy focused on our core Metals business. By disposing of non-core assets at acceptable valuations in line with our defined asset disposal plan and by reducing our leverage, we aim to create a more focused, better capitalised and more profitable business.

Our new strategy is developed to create and preserve value for stakeholders in the short, medium and long term. We are positioning Nampak to be a high-quality, market-leading business with distinctive capabilities, operating in a defensive market segment with sustainable growth characteristics, underpinned by a blue-chip customer base.

When formulating strategy, we considered the availability, quality and affordability of the six capitals, as well as the impact of our activities on them. We will ensure strategic delivery by incentivising management to meet targets linked to their remuneration (page 74).

Create ONE Nampak		
Strategic initiative	What this means	
 <p>Reshape the portfolio</p>	<ul style="list-style-type: none"> › Substrate focused – Metals › Narrow geography – South Africa and Angola › SKU rationalisation – 15% reduction › Bolt-on capability – product innovation and growth 	Focused portfolio with leading market share supported by world-class manufacturing facilities
 <p>Strategic customer management</p>	<ul style="list-style-type: none"> › Revenue growth management › World-class sales and operational planning › Innovation and category thought-leadership › Service excellence › R&D technological advantage 	Optimised working capital and operational efficiencies
 <p>Reset cost base and drive efficiencies</p>	<ul style="list-style-type: none"> › Revised business model › Limit all discretionary spending › Efficiency focus › Efficiency extraction 	Category thought-leadership and internal growth prospects
 <p>Build a performance culture</p>	<ul style="list-style-type: none"> › Calibrated for competencies and learning agility › Sense of urgency in all we do › Unconditional integrity › Act like owners › Socially ethical and responsible 	Experienced, focused and motivated leadership team
 <p>Strengthen brand position</p>	<ul style="list-style-type: none"> › Credible and trusted customer partnerships › Purveyor of highest quality offerings › Sustained earnings growth and ROIC › Employer of choice 	ROIC > WACC by 2027 Debt:EBITDA < 2.0x by 2025

Our investment thesis

Alongside our new strategy is our investment thesis, made up of four key features:

1 A strong investment case

- › Industry-leading returns
- › Market-share leadership
- › Distinctive capabilities
- › Margin superiority
- › Above-average market growth
- › Operating leverage

2 Our right to win

- › Focused portfolio and technological advantage
- › Scale; customer spread
- › Long-standing relationships with suppliers and customers
- › Capital intensity/barriers to entry
- › Right-sized balance sheet; cash generative
- › Management depth

3 Growth generators

- › Efficiency and cost fanaticism
- › Culture of continuous improvement
- › Business model re-invention
- › Lean management structures
- › Partnerships with exemplars

4 Measures of success

- › Customer retention and growth
- › Engaged workforce
- › Superior returns
- › Responsible corporate citizenship
- › Share price appreciation

ONE Nampak is being created for cultural cohesion with strong technical, exceptional manufacturing and customer-facing competencies.

We are focusing on these core businesses:

South Africa



Angola



Driven by the following key principles:

- ✓ Simplification of corporate structure by disposing of non-core assets
- ✓ Disposals to support right-sizing of capital structure
- ✓ Focus on technical capability, manufacturing excellence and customer service
- ✓ Leverage product quality and world-class R&D
- ✓ Become more customer-centric
- ✓ Adopt partnership model to ensure mutual benefit
- ✓ Improve operating efficiencies – working capital and fixed cost management

With the following key actions:

- ✓ **Asset disposals**
raising some R2.7 billion over the next 18 months.
- ✓ **Reducing leverage**
reaching a sustainable net debt:EBITDA ratio below 3x by 2024 and below 2x by 2025.

Transforming the capitals through our business model

Material issues (see pages 16 to 19)



Capital and debt structure

Key inputs



Human capital

R2.3bn in salaries (R2.1bn). 120 apprenticeships (133).
3 667 employees (4 314). 8 bursaries (13).
R33m in employee development (R36m).

SDGs



Manufactured capital

Polymer resin, aluminium plate, Property, plant and equipment of tinplate, brown paper reels and carton board.# of R4.3bn (R5.5bn).
19 production facilities in South Africa (19); 11 in Rest of Africa (14).
Post-consumer packaging material. World-class R&D facility. Public infrastructure.



Intellectual capital

Diverse skilled board, experienced management and employees.
Benefits of R&D's experienced and competent scientists, technologists and technicians.
Membership of various industry bodies.



Financial capital

Market capitalisation R1.8bn (R1.3bn).
Total equity R1.9bn (R4.9bn).
Net working capital R2.5bn (R3.3bn).
Net debt (excluding lease liabilities) R4.6bn (R5.2bn).
Rights issue raised R960m net of costs.



Social capital

Trusted brand. Supported a children's home.
Good employee relations. Beneficial engagements with government and tax authorities.
Effective communication with investors. YES4Youth programme participant.
Continued support to hospices in areas where our employees live. Member of producer responsibility organisations for all our substrates.



Natural capital

Water usage of 936 Mℓ (932).
Energy usage of 1 474 219GJ (1 724 192).



Usage not disclosed for competitive reasons.
2022 numbers are in brackets.

Activities

Guided by our strategy

Create ONE Nampak



Reshape the portfolio



Strategic customer management



Reset cost base and drive efficiencies



Build a performance culture



Strengthen brand position

We build trust through:

- Identifying** customer needs.
- Investing** in state-of-the-art manufacturing facilities and skills.
- Securing** supplies of quality raw materials, including recycled content.
- Processing** materials, manufacturing packaging products used to protect, preserve and transport consumer goods – mostly food and drinks – maintaining quality and safety.
- Supporting** our customers' brands with innovative, convenient packaging with reduced environmental impact.

We create value by converting raw materials into packaging products used to protect, preserve and transport consumer products. To do this, we rely on various resources and relationships known as the six capitals. We transform these through our activities. In so doing, we aim to deliver on our strategy and advance some of the UN's SDGs. When deciding how best to grow and sustain our business, we consider the trade-offs between the capitals, aiming to maximise positive outputs and outcomes and limit instances of value erosion.



Sustainability considerations



Macroeconomic challenges



Rejuvenation and growth

Actions and trade-offs



Human capital

Maintained good relationships with workforce and trade unions.

The need to restructure the business including rationalising head offices (which was required to support financial capital) impacted negatively on human and social capital as it reduced employee morale.



Manufactured capital

Disposal of some assets and closure of some operations improved financial capital but negatively impacted both human and social capital.

Debt reduction requirements meant that capex for new equipment has had to be curtailed, negatively impacting manufactured capital.



Intellectual capital

Improved the decision-making of the board through the appointment of a new CEO and the appointment of a chief restructuring officer.



Financial capital

Negotiated further extension of debt repayment, but with upward pressure on interest cost. Refinanced group with flexible funding capacity.

Higher working capital also contributed to increased interest cost.

Higher WACC rates resulted in impairments.

Continued suspension of dividends negatively affected social capital but benefited financial capital.

Rights issue benefited financial capital but resulted in dilution of earnings per share thereby negatively impacting social capital.



Social capital

Our spending on YES4Youth reduced our financial capital but has a long-term benefit to social capital, reducing unemployment, as well as to intellectual capital as it builds skills and experience. It also supports the securing of our level 2 B-BBEE status.



Natural capital

Installed solar power generation at some facilities for lighting, impacting negatively on financial capital but supporting natural capital.

Continued to support recycling of post-consumer packaging, supporting natural capital.

ESG committee monitored ESG policy.

Outputs

Products

Metals

Aluminium beverage cans, as well as tinsplate food cans, aluminium aerosol cans and roll-on pilfer-proof closures; a range of other metals cans, closures and twist-off caps.

Plastic

Plastic bottles; closures; crates; drums and tubes.

Paper

Liquid cartons; folding cartons; corrugated boxes; paper bags and sacks.

Emissions

Scope 1 & 2 GHG emissions

251 561tCO₂e (297 496).

Key outcomes



Human capital

Reduced number of employees by 647
LTIFR improved to 0.16 (0.27).
Provided bursaries to 8 students.



Manufactured capital

Capital expenditure increased to R353m (R208m).
Depreciation and amortisation up at R409m (R472m).
Net impairment of assets R2.8bn (R0.5bn).



Intellectual capital

Offered lighter, more innovative packaging.
Developed a new PET bottle that is lighter and more cost-effective.
Benefited from involvement with industry bodies.



Financial capital

Trading profit R1.6bn (R1.6bn).
Operating loss R2 566m (R640m profit)
Cash generated from operations after working capital R1.6bn (R0.8bn).
Improved debt covenants.
HLPS 46 811.7cps (7 589.2 cents).
Return on net assets based on trading profit 16.6% (14.2%).



Social capital

Paid income taxes of R226m (R170m).
Produced economic value added of R3.0bn (R3.3bn).
Invested R1.0m in social causes (R1.0m).
Maintained B-BBEE contributor status at Level 2.
Increased black management to 71% (68%).



Natural capital

Reduced water consumption and improved water use intensity.

Our material issues

Material issues are those with the potential to significantly affect – both positively and negatively – our ability to deliver on our strategy, create shared value and sustain the group in the short, medium and long term. Here we outline the material issues identified in the year:

Capital and debt structure



Why this is material

A strong and stable capital structure is essential for a thriving business optimally positioned to deliver sustainable value for all stakeholders. In a high interest rate environment, a high level of debt means high interest costs, which affect profitability, our ability to meet debt covenant ratios, pay down debt, pay dividends and invest in capital expansion or in social expenditure. It overshadows our operational performance and hurts the group's position with funders, employees, customers and suppliers. As the US dollar appreciates against the currencies of the jurisdictions in which we operate, debt denominated in dollars becomes more onerous.

Implications for value

Nampak's expansion into Nigeria and Angola between 2011 and 2014 was funded in dollars, resulting in elevated gearing. Along with macroeconomic and operational pressures (including the impact of the COVID-19 pandemic), and despite efforts to de-leverage the balance sheet, net interest-bearing debt exceeded shareholders' equity. Nampak's capital structure was adversely impacted by significant impairments, a high level of US dollar-denominated debt and forex losses.

In 2016, we suspended dividends to shareholders. This led to a loss of shareholder and lender confidence; Nampak lost its investment grade credit rating; and the share price declined significantly over the past eight years. The sustainability of the company was at risk with the threat that any breach of the terms of funding facilities would negatively affect ongoing liquidity, access to credit, cost of capital, ability to fund operations and capex.

Our response in 2023 and strategic opportunity ahead The outlook

- › Simplified lending structure, created a flexible financing facility linked to inventory and trade receivables, reduced reliance on US dollar debt, removing currency volatility, correctly sized working capital funding, creating a platform to deliver on the ONE Nampak strategy.
- › Negotiated with our funders to restructure and refinance the existing debt, with appropriate terms and relaxation of some covenants.
- › Undertook a rights issue, which was 38% oversubscribed and raised a net R960m, unlocking our refinancing package.
- › Appointed three independent non-executive directors, a chief restructuring officer and a new CEO.
- › Committed to an asset disposal plan for R2.7 billion over the next 18 months; disposed of crates unit and Tanzanian and Nigerian General Metals properties.
- › Managed capex within funding constraints.
- › Significantly reduced net working capital after reaching agreement with major customers on tighter credit terms and reducing our inventory holdings.
- › Restructure the business, using proceeds from disposals to further reduce debt, which should lead to significant savings in interest costs and reduced risk.
- › Exit certain markets, reducing our exposure to forex losses.
- › Shift Nampak from being a vulnerable conglomerate to a business focused on specific packaging operations delivering a higher quality of earnings, reduced risk and improved cash generation and optimally positioned to deliver returns to shareholders.

Link to strategy



Capitals



Relevant SDGs



Related risks



Note: See our CFO report on page 32 and our rights offer circular on: nampak.com/Investors/Financial-Information

Macroeconomic challenges



Why this is material

Economic activity influences demand for goods and related packaging. The world is plagued by inflation, pedestrian growth and various conflicts. Africa faces currency volatility and depreciation, unemployment, and political and policy shifts. The ability to timeously source US dollars, particularly in Nigeria, and repatriate these dollars at acceptable rates to avoid forex losses adversely affects profitability and our ability to repay debt. Our operations require a reliable supply of power, water and raw materials. Macroeconomic volatility discourages investment and therefore interest in the assets we are seeking to dispose of.

Implications for value

Consumers were under pressure, affecting demand for discretionary items, impacting our revenue and earnings. In South Africa, electricity shortages and constrained water supply hampered economic activity. Competitor intensity increased, pressuring volumes and margins.

Under a new president, Nigeria removed fuel subsidies and floated the naira in June 2023. The official naira/US dollar rate devalued 44% from 437.74 to 776.79, with a further dislocation between the official rate after the devaluation and the secondary market rate. This triggered forex losses for Nampak.

In Angola, the kwanza devalued by 47% from AOA 443.55/US dollar to AOA 842.04/US dollar in 12 months as the government resumed repayments of Chinese debt. Along with the removal of fuel subsidies, this led to a sharp rise in inflation, including the selling price of beverages, affecting demand. High levels of external debt worsened forex shortages and we recorded forex losses compared to a gain in 2022.

Elevated interest rates led to higher funding costs, affecting our profitability and covenants. Despite this, we complied with all covenants in the year. Forex availability remained limited in many markets.

An uptick in country risk premiums and interest rates resulted in a higher weighted average cost of capital (WACC). Higher WACC rates and downward revisions in expected future cash flows lead to lower valuations and impairments. Focused management of the net working capital cycle released R905 million in cash (2022: R659 million absorbed).

Our response in 2023 and strategic opportunity ahead

- › Implemented a new financing structure and completed a successful rights offer, significantly addressing the group's capital structure.
- › Curtailed future costs through retrenchments and by addressing post-retirement medical aid structure.
- › Agreed a significant asset disposal programme with funders.
- › Improved business practices and introduced a well-articulated investment thesis.
- › Restructuring to create a focused portfolio and lower cost base.
- › Merging Bevcan and DivFood.
- › Aggressive management of working capital.
- › Plan to make structural changes to the manufacturing architecture.
- › Engaging with bargaining unit and NUMSA to address the quantum and cost of labour.
- › Judicious management of prices and trading terms.

The outlook

- › Sustained low growth in most Nampak markets, particularly South Africa and Nigeria.
- › Gradual moderation in inflationary pressure.
- › Continued limited hard currency availability in our Rest of Africa markets.
- › Persistent global instability because of numerous wars.
- › Increased competition and pressure from our customers as they try to cushion the impact of slow growth.
- › Continued loadshedding and water supply issues in South Africa.
- › Interest rate cycle at peak, with relief expected once inflation moderates.

Link to strategy



Capitals



Relevant SDGs



Related risks



Note: See our operating context on page 8.

Sustainability considerations



Why this is material

Transformation to a more equal society and the eradication of poverty, inequality and hunger are in all our interests. Climate change is a key challenge. Consumers and corporates alike must make conscious decisions that help minimise the rise in global temperatures. Ensuring the physical and mental wellbeing of our people is critical to a sustainable workplace. By providing an environment conducive to ethical behaviour, a reliable supply of fit-for-purpose products as well as skills development and decent employment, we support sustainable societies. We play a key role in elaborate value chains, whose sustainability is essential for the health of the South African economy as well as that of our other markets.

Implications for value

Greater equality enhances the sustainability of the world, and of our business. The inclusion of more environmental considerations in government policies presents an opportunity for Nampak products that are recyclable and reduce food waste.

Investors are increasingly interested in companies' disclosure of ESG performance, moving out of investments where this is not seen to be sufficient and into those whose ESG practices and policies align to their own.

Operations that are safe and where employee health is prioritised support enhanced employee morale and better business performance; unsafe operations harm people, the environment and our reputation.

Insufficient skills may impact our strategic delivery, profitability, investor returns and tax payable to authorities. Cultural apathy damages productivity. Disruption to value chains — such as that of aluminium — would be harmful to economic activity.

Our response in 2023 and strategic opportunity ahead

- › Calibrated leadership for greater efficiency, including internal merger between Bevcan and DivFood.
- › Transforming culture, adopting an exemplar mindset to benefit from global best practices.
- › Prioritised transformation in South Africa; maintained our Level 2 B-BBEE contributor status.
- › Improved our safety performance, with an LTIFR of 0.16 from 0.27.
- › Promoted the use of infinitely recyclable aluminium cans.
- › Maintained link between executive KPIs and remuneration to our ESG performance.
- › Installed 100KVA solar power at Bevcan Springs.
- › DivFood Vanderbijlpark commissioned further solar power installations in the first quarter of financial 2023.
- › Remained committed to developing a decarbonisation plan through SBTi.
- › Supported the Fibre Circle's work towards greater recycling of paper packaging.
- › Encouraged the re-use and recycling of plastic packaging through support of the SA Plastics Pact, PETCO and Polyco.

The outlook

- › Prioritise cultural transformation at Nampak.
- › Work with suppliers and customers to reduce our environmental impact while sustaining our key role in important value chains.
- › Explore options for increased use of renewable energy.
- › Monitor and obtain assurance for our scope 1 & 2 emissions.
- › Develop scope 3 carbon footprint information.
- › Develop a decarbonisation plan through the SBTi.

Link to strategy



Capitals



Relevant SDGs



Related risks



Note: See our SR for details

Rejuvenation and growth



Why this is material

While much of our focus has been on debt refinancing and capital restructuring, we must not lose sight of our objective to generate sustainable growth and thrive. We have an established, high-quality, market-leading business with a strong brand and distinctive capabilities. It operates in a defensive market segment and supplies blue-chip customers. We want to leverage these attributes to create shared value.

Implications for value

Manufacturing businesses such as ours rely on efficient production lines so that we can meet customer expectations of quality products. Technology is always improving, but upgrades to machinery can come at significant cost. Competition is ever present and intensifying. If we do not have the capital required to invest in those production facilities that require upgrades, we could lose out on opportunities to grow or defend our market share and our volumes profitably. By investing wisely in a focused Metals portfolio and becoming more efficient we are able to meet our customer expectations and deliver value to all our stakeholders.

Our response in 2023 and strategic opportunity ahead

- › Increased capex to R353 million in 2023, the bulk of which was replacement capex, committed R350 million for Bevcan Springs Line 2 upgrade which is key to meeting market demand for growth in the capacity of 500ml cans.
- › In the process of reshaping the corporate portfolio by focusing on metals and narrowing our geographic span to South Africa and Angola. Reduce the number of SKUs and invest in product innovation.
- › Ensure strategic customer management by optimising price, volumes and margins and developing world-class sales and operational planning to improve working capital and production scheduling. Collaborate with customers on innovation and emphasise service excellence and relationship management.
- › Reset the cost base by implementing the ONE Nampak business model and a simplified organisation design; limiting discretionary spending; focusing on efficiency; and extracting efficiencies in selected functions.
- › Build a performance culture by encouraging an ownership mindset among employees and cultivating a sense of urgency in all activities.
- › Strengthen the Nampak brand proposition by further developing trusted customer partnerships; providing highest quality offerings; focusing on sustained earnings growth and ROIC; and striving to be an employer of choice.

The outlook

- › A revitalised Nampak that is set up for growth, with a strengthened capital base from the rights issue, a sustainable debt structure, operational efficiencies and optimal capital allocation. Focused on our Metals business, ONE Nampak will invest in growth with improved profitability metrics and a lower net investment in operating assets, generating a return on invested capital in time that exceeds current WACC.

Link to strategy



Capitals



Relevant SDGs



Related risks



Engaging our stakeholders

Nampak's mission and purpose is to deliver value to all our stakeholders while conducting ourselves as a responsible corporate citizen and a leader in packaging production and innovation.

Nampak works with many stakeholders. We understand the importance of ongoing and transparent communication. We commit to continuous engagement with stakeholders to identify and address any concerns.

With respect to engagement with stakeholders, Nampak:

- › Engages regularly in an open and transparent manner.
- › Listens to the feedback provided.
- › Uses the feedback to identify any issues.
- › Collaborates to address any issues raised by stakeholders.
- › Provides feedback on issues identified and how these have been addressed.

We depend on stakeholders to create value and minimise cases where our actions lead to the erosion of value. Trust and clear communications are critical to good stakeholder relationships. Here we describe those issues that we understand from our stakeholders to be important to them, as well as those matters that we consider critical to our ongoing relationships.

We also provide details of our work to best address the identified issues. As stakeholder engagement is fundamentally linked to the management of risks and the identification of both opportunities and material issues, we indicate which of these is most relevant to each stakeholder group.

Shareholders, investment community and funders

Why we engage

Providing accurate information enables shareholders and funders to make decisions on investing in Nampak and supporting our plans.

Key issues

- › Significant current and historical forex losses and impairments have reduced shareholder equity.
- › High levels of gearing, including US dollar-denominated debt.
- › Refinancing of debt supported by rights issue.
- › Disposal of assets to reduce debt obligations.
- › Transfer of funds from Angola, Nigeria and Zimbabwe.
- › No dividends paid since 2016.

Our actions

- › Successfully refinanced the group with an appropriate and flexible funding structure linked to an asset disposal plan with more favourable covenants and aligned to the group's working capital requirements.
- › Implemented a rights issue which was 38% oversubscribed.
- › Increasing trading profit of R1.6 billion by 2%.
- › Improved cash generated to R1.6 billion from R0.8 billion.
- › Maintained the suspension of dividends.
- › Disposed of property and equipment to the value of R236 million.
- › Appointed new chief executive officer and appointed a chief restructuring officer to actively manage disposals.

Link to material issues



Relevant SDGs



Related risks



Employees and trade unions

Why we engage

Open communication with our employees creates a sound working environment and boosts morale. Engaging with trade unions provides ways of improving productivity, enhancing understanding, reducing costs and addressing potential restructuring.

Key issues

- › Impact of restructuring on the business and job security.
- › Effect of portfolio optimisation and cost-cutting initiatives.
- › Health and safety in the workplace.
- › Wages generally higher than market.
- › Ongoing skills development and deployment amid increased competition.
- › Impact of productivity improvements and cost reduction on employees.
- › Addressing youth unemployment and engaging in wage negotiations.

Our actions

- › Reported an improvement in LTIFR of 0.16 from 0.27 in 2022.
- › Continued to prioritise development; trained 1 574 employees.
- › There were many more engagements between labour and management in relation to aspects of the company's turnaround plan. Conducted three Section 189 retrenchment exercises, in consultation with labour involving retrenchment of some 350 employees.
- › Collective bargaining activities excluded wage negotiations during this period – a net wage increase of 4.1% was implemented, based on the parties' two-year wage agreement for the period 2022 to 2024.
- › Continued to involve unions in our need to improve productivity and reduce costs.
- › Continued our support for the YES4Youth employment programme.

Link to material issues



Relevant SDGs



Related risks



Customers

Why we engage

Partner with customers

Maintaining close contact with our customers improves our service to them and helps us anticipate their needs. Working together we are able to design, recommend and supply the best forms of packaging for their products with reduced environmental impact.

Customer-centric: Nampak prioritises its customers and aims to exceed their expectations by delivering exceptional service, responsiveness and customised solutions.

Partner of choice/leading edge: Nampak strives to be the preferred partner for customers, standing out for its leading-edge capabilities, reliability and collaborative approach.

Category thought leader: Nampak aims to be a thought leader in its industry, driving innovation, setting trends and shaping the future of packaging solutions.

Key issues

- › Requirements by some large customers to commit to and deliver on Net Zero over time.
- › Packaging that ensures the highest levels of food safety and reliable supply, supported by world-class technical knowledge.
- › In Rest of Africa markets, hard currency availability impacting raw material purchases.
- › Retention of key customers amid increased competition in a tough macroeconomy.

Our actions

- › Developed an ESG policy and set up an ESG sub-committee.
- › Continued to engage with brand owners about the benefits of Nampak's R&D facility in ensuring food safety.
- › Continued to reduce our overhead cost structure to become more competitive.

Link to material issues



Relevant SDGs



Related risks



Suppliers

Why we engage

Suppliers are key to our ability to manufacture the products which our customers require. We acknowledge the key role we play in a complex value chain stretching from primary producers to end consumers. Regular liaison with suppliers in identifying and reducing any bottlenecks in the supply chain as well as keeping abreast of available materials. With scope 3 emissions our largest source of emissions, it is essential we work with suppliers to reduce our environmental impact.

Key issues

- › Unreliable power and water supply.
- › Ensuring B-BBEE credentials to meet our procurement targets.
- › Increasing post-consumer recycled content in raw materials.
- › Reducing the emissions profile of our key suppliers in our efforts towards Net Zero.

Our actions

- › Worked alongside other manufacturers to engage with municipalities to lobby for greater security of supply of quality water as well as sufficient electricity.
- › Explored opportunities for self-generation and provision of power and water.
- › Continued to prioritise purchases from accredited B-BBEE suppliers.

Link to material issues



Relevant SDGs



Related risks

3

5

6

7

9

Industry and regulatory bodies

Why we engage

By engaging with these stakeholders, we ensure that we collaborate on the many issues facing our industry and together find workable solutions.

Key issues

- › Waste management and emissions reductions.
- › Public pressure on use of plastic packaging.
- › Carbon tax and the Nationally Determined Contributions under the Paris Agreement.
- › Compliance with good governance and regulatory requirements.
- › Sound relations with local authorities.
- › Water and power interruptions and poor municipal service delivery.

Our actions

- › Supported long-established recycling initiatives.
- › Continued supporting small-scale waste collectors.
- › Member of Packaging SA.
- › Member of BUSA environmental sub-committee.
- › Member of the Science-Based Targets initiative (SBTi).
- › Maintained comprehensive governance policies and practices.
- › Complied with requirements of the JSE and revenue authorities.
- › Improved interaction with municipalities to reduce power outages.

Link to material issues



Relevant SDGs




Related risks

1

7

9

Communities and civil society

Why we engage

For the sustainability of our business, the communities in which we operate are important as many of our employees come from these communities, which also provide an end-market for our products.

Key issues

- › Supporting the communities in which we operate amid increasing poverty and unemployment.
- › Fewer funds available for community projects due to stretched balance sheet.
- › Supported six hospices and a children's home.

Our actions

- › Contributed R1.0 million to social investment.
- › Provided temporary employment to 158 interns of the YES4Youth programme, representing investment of R5.7 million.
- › Granted eight bursaries.

Link to material issues



Relevant SDGs



Related risks



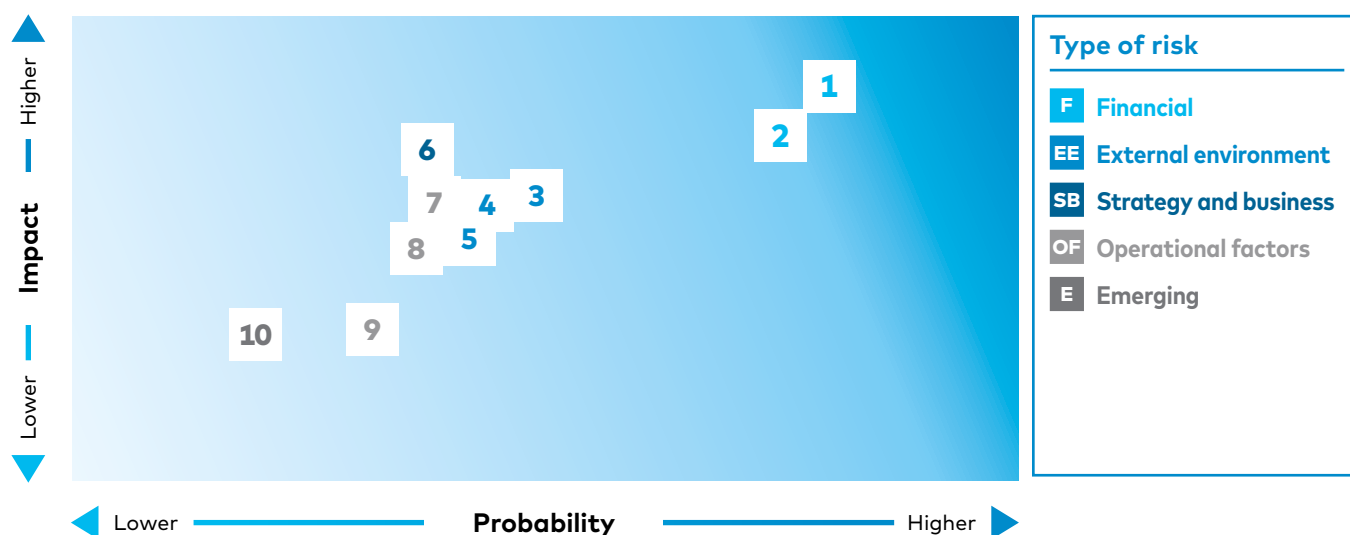
Our top risks and opportunities

When determining our risks, we consider both the potential impact of each risk on the achievement of the group's strategy as well as the probability of it materialising.

The positions of the risks on the heat map reflect the residual risk after considering the effectiveness of our mitigation strategies and actions. We rank these in order of magnitude, recognising that risk positions may change during the year.

In 2023, directed by the audit and risk committee, we made some changes to the way in which we present our top and emerging risks. We introduced 'risk themes' to simplify their presentation.

In the risk table, we show risk rankings in 2023 and in 2022. The icons show the links to our material issues, the six capitals, as well as to Nampak's strategy.



Type of risk

- F** Financial
- EE** External environment
- SB** Strategy and business
- OF** Operational factors
- E** Emerging

Top risks 2023 – 2022	Type of risk	Links to material issues, capitals and strategy
1 — 1 Liquidity	F	
2 — 2 Forex liquidity and currency movements	F	
3 — New Utility and local government failures	EE	
4 — 3 Challenging macroeconomic conditions	EE	
5 — 4 Supply-side risks	EE	
6 — 7 Increased competitor activities and key customers diversifying their supplier base	SB	
7 — 5 Operational performance	OF	
8 — 6 Inadequate diversity, people development, skills	OF	
9 — 9 Inadequate cyber security and resilience	OF	
10 — 8 Climate change and environmental stewardship	E	

Within the context of the six capitals, Nampak's risk management is informed by our risk framework, risk management guidelines and other policies and procedures. The audit and risk committee supports the board in considering the outcomes of these processes and reviews exposure against our risk tolerance and appetite. Understanding our risks informs strategy and assists with decision-making.

We undertake ongoing assessment of Nampak's impact on the environment from an operational perspective and in relation to product stewardship. Nampak participates in the CDP for climate change and water.

To support the board in the execution of its ultimate responsibility for governance of information management services (IMS), the committee routinely considers IMS and key technology risks.

1 Liquidity

F

Risk	Actions to mitigate the risk	Opportunities and looking forward
Risk of not generating sufficient cash to meet our obligations or that we can only do so at unsustainable costs or on disadvantageous terms.	<ul style="list-style-type: none"> › Engaged with stakeholders to address funding structure, contract terms with customers and credit terms with suppliers. › Appointed debt advisers. › Appointed independent chief restructuring officer. › Concluded rights issue. › Concluded refinancing of group's funding for next three years. › Improved our net working capital position. 	<ul style="list-style-type: none"> › Execution of the asset disposal plan. › Ongoing tight control of operating cash requirements and capex.

2 Forex liquidity and currency movements

F

Risk	Actions to mitigate the risk	Opportunities and looking forward
Currency moves and/or the level of availability of forex in our markets could lead to Nampak incurring losses on international transactions.	<ul style="list-style-type: none"> › Addressed contracting terms to improve returns, limit forex risks and improve working capital cycles. › Limited impact of lumpy forex extraction from Nigeria. › Negotiated with key customers to agree equitable sharing of risk of timing differentials. › Limited risk of cash build-up in volatile forex regions by extracting cash timeously. 	<ul style="list-style-type: none"> › The hedging of currencies in Nigeria, Angola and Zimbabwe is not possible. › Currency volatility will continue to have a bearing on financial results, liquidity and the ability to repay debt. › US dollar availability in Nigeria, Angola and Zimbabwe will continue to impact the group as will the devaluation of these currencies. › The newly appointed Nigerian president could possibly provide stability/clarity to the direction of the naira. › Hyperinflation in Zimbabwe and the declining spot rate adversely impacts Zimbabwe's contribution to rand-reported results. › The expected credit loss provisions applied at September 2023 could reverse once repayments exceed the residual RBZ financial asset recognised in our financial statements.

3 Utility and local government failures

EE

Risk	Actions to mitigate the risk	Opportunities and looking forward
Failures of key suppliers such as Eskom and municipal water suppliers could impact our costs and revenue negatively.	<ul style="list-style-type: none"> › Established divisional committees to seek ways to minimise power and water use and mitigate risk of loss of supply. › Worked closely with municipalities in an effort to be exempt from lower stages of loadshedding. › Remained invested in some alternative power generation. › Installed additional water storage tanks at Bevcan Springs. 	<ul style="list-style-type: none"> › May need to invest in additional alternative power supply systems in South Africa if intense loadshedding is sustained. › Evaluating more extensive on-site renewable energy generation at South African sites. › Evaluating additional boreholes and water use licences at major South African sites.

4 Challenging macroeconomic conditions

EE

Risk

Our returns could suffer from political changes – such as to monetary policy and the regulatory or tax regime – and from political or civil unrest.

Exposure to the Angolan and Nigerian economies that are highly dependent on oil production and the oil price with associated currency weakness leading to forex losses.

Actions to mitigate the risk

- › Pursued suitable customer contracting and operational cost structures to support profitable market pricing.
- › Focused on cash transfers, particularly from Nigeria and Angola.
- › Sustained suitable long-term contracts with large multinational customers.
- › Focused on cost control, procurement, credit control and the balance sheet.

Opportunities and looking forward

- › South African business and consumer confidence are likely to remain weak and could be impacted by May 2024 election.
- › The Russia/Ukraine war and the conflict between Israel and Palestine may have an increasingly destabilising impact on markets and on foreign exchange rates, affecting Nampak businesses and commodity prices and supply chains for some time to come.
- › Continued very high levels of unemployment.
- › Recent increases in solar power is brightening the outlook for economic growth in 2024.
- › Interest rates have likely peaked in South Africa.
- › The decline in real salaries and wages is slowing as inflation trends lower.
- › The IMF expects global growth to slow to 2.7% in 2023.
- › Global inflation is forecast to moderate to 6.5% in 2023 and 4.1% in 2024.

- › A tightening of forex availability in Angola is expected.
- › Loadshedding is forecast to continue for the foreseeable future in South Africa, albeit possibly at lower rates.
- › Currency volatility will continue to affect financial results, as will the availability of US dollars in Nigeria, Angola and Zimbabwe.
- › We will continue to pursue payments from the RBZ related to the hedge agreed in 2019.
- › Nigeria's new president could provide stability/clarity to the direction of the naira.
- › Possible improvement in demand for beverage cans in Angola given the opening of its borders with the DRC and two significant customers being granted filling rights for Coke and Pepsi respectively in Angola.
- › Continued lack of US dollars in Nigeria and a significant gap between the spot and secondary rate.

5 Supply-side risks

EE

Risk

Supply disruptions could impact inventory, production, distribution and procurement.

Actions to mitigate the risk

- › Maintained strong relationships with key suppliers with long-term supply agreements.
- › Carried out procurement via our Isle of Man office to secure continuity of supply and financing thereof.
- › Conducted contractual negotiations with customers, providing Nampak with some capacity to recover costs.

Opportunities and looking forward

- › Ongoing engagement with customers and suppliers to ensure we secure what we need.
- › Isle of Man office to continue to manage procurement and treasury for Rest of Africa operations.

6 Increased competitor activities and key customers diversifying their supplier base

SB

Risk

If key customers diversify their supplier base and reduce the volumes they demand this would be to the detriment of Nampak.

Actions to mitigate the risk

- › Reviewed business potential, considering capital investment for appropriate opportunities.
- › Considered diversifying customer and product bases.
- › Focused on customer relationship management and negotiation and securing long-term contracts with appropriate terms.
- › Worked for greater cost competitiveness.
- › Aligned product development with customer requirements while optimising supply chain complexity.
- › Drove initiatives to maintain B-BBEE rating.

Opportunities and looking forward

- › Continued emphasis on price, safety, quality, reliability, good governance and on-time delivery.
- › Improved focus on demand planning and forecasting expected to have positive impacts on working capital to fund working capital cycles and concomitant net interest paid and impacts on covenants.

7 Operational performance

OF

Risk	Actions to mitigate the risk	Opportunities and looking forward
<p>Losses could arise from inadequate or failed internal processes, people and systems, or from external events.</p>	<ul style="list-style-type: none"> › Strong management focus on initiatives to improve operational performance, cash management and control of capex. › Improved management focus on operating profit, working capital cycle, RONA and ROIC. › Undertook restructuring of divisions and reduced size of head office. 	<ul style="list-style-type: none"> › Consider further restructuring and asset disposals. › Carefully manage operational risk activities. › Further reductions in centralised costs possible. › Pursue growth opportunities at appropriate time when debt levels have been reduced.

8 Inadequate diversity, people development, skills

OF

Risk	Actions to mitigate the risk	Opportunities and looking forward
<p>Without transforming to a more equal society, the sustainability of our market in South Africa may be in jeopardy.</p> <p>A poor B-BBEE rating could impact our revenue and profitability.</p> <p>Insufficient skills could affect operational effectiveness and strategic delivery.</p>	<ul style="list-style-type: none"> › Benefited from performance management processes. › Maintained succession plans. › Focused on executive coaching, technical training and meeting productivity targets. › Maintained level 2 B-BBEE rating. 	<ul style="list-style-type: none"> › Training and development outcomes evaluated annually and aligned to business requirements. › Participation in the YES4Youth job creation programme. › Besides protecting employees from injuries, good safety practices result in reduced downtime, cost savings and improved productivity.

9 Inadequate cyber security and resilience

OF

Risk	Actions to mitigate the risk	Opportunities and looking forward
<p>Ransomware attacks could result in catastrophic loss of data and paralyse the business, rendering it unsustainable.</p>	<ul style="list-style-type: none"> › Continued with ongoing monitoring and testing. › Improved firewalls. › Increased awareness campaigns. › Implemented end-point detection and response. › Maintained appropriate controls through audit review as well as appropriate insurance cover. 	<ul style="list-style-type: none"> › Enduring commitment to protect Nampak against cyber-crime.

10 Climate change and environmental stewardship

E

Risk	Actions to mitigate the risk	Opportunities and looking forward
<p>Climate change transition-related risks could impact our sustainability.</p> <p>An increasing carbon tax could impact Nampak's profitability.</p> <p>Negative publicity due to a lack of environmental stewardship could impact demand and result in fines and restrictions on our licence to operate.</p>	<ul style="list-style-type: none"> › Benefited from ESG structures to drive initiatives as well as registration with SBTi to develop decarbonisation plan. › Pursued development of Scope 3 GHG emissions inventory. › Continued to evaluate renewable energy options in large South African sites. › Participated in CDP for Climate Change and Water. 	<ul style="list-style-type: none"> › Ongoing engagement with various stakeholders on recycling post-consumer packaging and alternatives for difficult-to-recycle packaging. › Greater use of renewable energy.

Chairman's review



Peter Surgey
Chairman



Dear stakeholders

2023 was a year of fundamental change regarding the fortunes of the company for the better. Nampak was faced with a number of challenges, including:

- › **an over-g geared balance sheet;**
- › **an expense base that was too high;**
- › **a loss of shareholder confidence;**
- › **an organisational structure that was no longer suitable; and**
- › **the drag of non-South African operations.**

An initial plan to launch a rights offer to help reduce debt did not receive sufficient support from new and existing shareholders. Following discussions with our shareholders, the rights offer was withdrawn and the proposal was revamped following the welcome recommendation to appoint three new directors.

The three new non-executive directors were Andre van der Veen, Tjaart Kruger and Phil Roux. Phil was later appointed CEO following the resignation of Erik Smuts.

At this point, the interest of and constructive recommendations from shareholders was a tonic which proved to be most beneficial to the company. Shareholder activism of this nature is to be commended and I would hope that shareholders in the broader community will become equally active where necessary.

The process of re-financing Nampak's debt, including a re-purposed rights offer, began in earnest in March. There followed an intensive period for the board and the company, culminating in a new and revised debt package from the lenders and a successful rights offer. The latter was well oversubscribed and was achieved without any underwrite from the lenders.

The re-negotiation of the debt package was an epic undertaking. During this time, 13 board meetings were held, five of which were special meetings. Special thanks are due to my colleagues on the board who were endlessly patient and generous with their time, input and support.

The process was difficult because of the high number of lenders — both local and international — and it grew a life of its own. Thankfully we were well supported by our South African lenders who collectively helped us to conclude the re-financing.

Throughout, the board provided ethical leadership and effective control of the process.

While all of this was going on the management team still had to run the operations of the company while undertaking a complete restructure of Nampak into a single customer-facing unit; return the loss-making food can business to profit as well as progress a number of necessary disposals; and at the same time maintain morale in the face of restructuring and the unfortunate retrenchments which inevitably followed.

The management team kept the business on an even keel, and significantly improved the working capital, restructured the company, reduced expenses and upped efficiencies. This resulted in much improved cash generation and therefore further debt reduction.

The company is now a single customer-facing organisation, the benefits of which we are manifest and which will be very evident in the new financial year. Nampak is well down the renewal road and on the path to recovery.

What has been disappointing is that the "Africa Rising" narrative, which we had followed with large investments in Nigeria and Angola, failed to take off. The investments initially went well with excellent facilities constructed. Sadly, the forecast acceleration in economic growth did not materialise and the economies of both countries declined steadily. These declines were compounded by Zimbabwe, where Nampak has an excellent business but has been unable to externalise any dividends for years.

The board underwent a number of changes in the year. Directors resigning were Erik Smuts in March after 25 years with Nampak, Lesego Sennelo and Tjaart Kruger. My thanks to them all during their tenure with the company. Post the year-end, Pitsi Mnisi and Zukie Siyothula joined the board and we welcome them to Nampak.

I had previously agreed to stay on the board while the refinancing and rights offer were being undertaken. Now that these have been successfully completed, I will be retiring from the board at the next AGM. It has been quite a ride!

I do need to thank my fellow directors, management, employees, lenders, shareholders and suppliers for their ongoing support in what has been a tricky time. I look forward to seeing Nampak thrive in the years ahead.

Peter Surgey

Bryanston

1 December 2023

Q&A with the chief executive officer



Phil Roux
Chief executive officer



Q What were your first impressions on joining?

A Historically, Nampak was a formidable diversified packaging conglomerate with a strong brand reputation and leading market position in numerous geographies — a company with a long history of supplying quality products and excellent service to a blue-chip customer base.

However, it was clear that it had made some poor capital allocation choices (dating back a decade) partly with hard currency funding; the business model was consequently determined to be suboptimal; and it had an unsustainable cash operating expense base and a structural working capital imbalance culminating in excessive debt levels and gearing. This led to significant liquidity challenges.

Perceptually, the business had a production-led orientation, rather than being intimately focused on customers and revenue growth management. And although both customers and suppliers were supportive, it was clear that some had reservations about the group's future. In this environment, employee morale was low and there were pockets of cultural apathy.

Shareholders, and lenders' confidence was waning, as reflected in the languishing share price and value erosion.

What was also apparent was that this was a high-quality business with distinctive capabilities, operating in a defensive market with sustainable growth characteristics. This was a business worth transforming and setting on a solid platform for rejuvenation and growth — unlocking value for shareholders, and indeed for a broader base of stakeholders along an extensive value chain spanning primary suppliers to end-consumers.

Q What has been achieved since then?

A In my 35-year career, the past eight months can arguably be described as the most daunting, complex yet stimulating experience. The broad stakeholder engagement and multi-party vested interest in Nampak's investment thesis and transformation has made for an unbridled test of tenacity, understanding and arm wrestling.

I owe a huge gratitude to our shareholders who have given us the benefit of the doubt by enabling our corporate repositioning in supporting the rights offer so generously.

Notwithstanding arduous discussions and negotiation which culminated in an elegant and workable new capital structure, our thanks are also extended to our numerous lenders.

Our progress has been executed with rigour and a sense of urgency, characterised by:

- › A step change in working capital disciplines;
- › A new capital structure;
- › A successful Bevcan and DivFood merger;
- › Completion of the first phase of right sizing and the initiation of the second phase, which will reduce manpower costs significantly;
- › Development of a master plan to fully automate transactional finance;
- › A successful rights offer which was 38% oversubscribed and where c.90% of our shareholders followed their rights;
- › Broad-based cost curtailment;
- › Development of a structural blueprint for the rationalisation of DivFood's manufacturing architecture and categories; and
- › Traction of the asset disposal plan, albeit slower than we would like.

There are still significant workstreams in motion and much work lies ahead of us, I am however pleased with our progress in the short term.

Q How did this translate into high-level performance metrics?

- A
- › Trading profit of R1.6 billion;
 - › Forex losses of R1.2 billion;
 - › Impairments of R2.8 billion; and
 - › A net loss of R4.0 billion.

However, significant cash was generated of R1.6 billion and a R905 million improvement in working capital notwithstanding.

Q What inhibited performance?

- A
- Doing business in Africa, inclusive of South Africa, has become particularly onerous given pedestrian economic growth (or rather ex-growth), currency vagaries, leadership changes and policy uncertainty, which all manifest in constrained consumer spending and volatility (see material issues on page 16).

The most notable performance inhibitors were:

- › Dysfunctional currency markets in Angola, Nigeria and Zimbabwe resulting in forex losses/currency devaluation;
- › Muted consumer spending;
- › Heightened competition; and
- › Restructuring costs of around R150 million.

These were somewhat offset by a stellar performance by Bevcan South Africa and a reduction in cash consumption by Plastics (see operational reviews on pages 52 to 57).

Q What is the outlook and what are Nampak's prospects?

- A
- It would be naïve to believe it will be plain sailing. There will be sustained low growth in most of the geographies we operate in, with significant hard currency liquidity constraints. We are at the behest of our customers, however we will continue to strengthen our value proposition to them as our agility increases. We have elected to invest in expansion capex in South Africa, which will attend to demand requirements.

We are hopeful that macroeconomic headwinds will ease as the world finds solutions to current tensions. We remain concerned about South Africa and the well-reported dysfunctionality at multiple levels which makes it increasingly difficult to do business.

The Nampak corporate strategy (see page 12) and transformational plan must hurdle these restraining forces. A serious risk is volume loss, some of which has crystallised already, but we are responding with appropriate mitigation actions and building cultural grit.

I'm exceptionally grateful to the management team that has elected to go the distance by supporting me on this journey. We have an exceptional board, which will continue to be strengthened. Nampak cannot and will not fail. We will prevail. We have overcome what some thought was insurmountable. We will continue to bring emotional and intellectual energy to work every day.

In the period ahead:

- › We will defend our volume position as far as commercially viable;
- › Disposals will take centre stage;
- › Costs will continue to ratchet down;
- › We will ramp-up our customer-facing abilities;
- › We will scale-down and phase-out per the plan, with the resultant agility and increased competitiveness; and
- › Inculcating a performance ethos is non-negotiable.

We will execute with as much urgency and precision as possible. Our customers must want to do business with Nampak and we must be regarded as the most formidable and trustworthy partner, enabled by unconditional integrity in all we do. It is clear we have our work cut out for us, but I have a conviction that this is achievable.

Chief financial officer's report



Glenn Fullerton
Chief financial officer

Successful rights issue and refinancing augmented by R1.6 billion cash generated by operations



Financial overview

Performance

The year was characterised by difficult macroeconomic conditions and rising interest rates that placed consumer spending under pressure. Profitability was adversely impacted by margin pressures, elevated forex losses, restructuring costs, increased net impairments and a material increase in net finance costs. A loss for the year of R4.0 billion was incurred compared to a loss of R26 million in 2022.

The group's capital and financing structure was strengthened through the successful rights issue of R1.0 billion raising R960 million net of associated costs and the restructuring and refinancing of the group banking facilities. Cash generated from operations of R1.6 billion increased by R800 million primarily through improved working capital management which resulted in a release of R905 million from the net working capital cycle.

Group revenue of R16.6 billion declined by 2%. A revenue decline of 5% in Metals was partially offset by revenue increases in Plastic and Paper of 2% and 28% respectively.

Trading profit increased by 2% to R1.6 billion assisted by improvements of 8% and 33% in Metals and Paper respectively partially offset by a 12% decline in Plastic.

Forex losses of R1.2 billion were incurred in the year with R1.0 billion attributable to Nigeria.

The Nigerian losses were caused by a consistently weakening Naira in a forex market that was increasingly dysfunctional as foreign exchange became more scarce and dealings in the secondary currency market were commonplace at punitive rates. In June 2023 the Naira was floated and although healthy for the economy in the longer term, this resulted in a further significant weakening of the currency in both the official and secondary market. Due to the significant lack of liquidity in the Nigerian currency market, there are no formal hedging opportunities and our treasury function is reliant upon the allocation of US dollar liquidity by the Central Bank of Nigeria.

The large majority of raw material for our Nigerian Bevcan business is imported and denominated in US dollars. From the date raw materials are procured, until the date foreign suppliers are settled, the group is exposed to foreign currency risks and this can straddle financial reporting periods.

The US dollar cost of inputs based on secondary market rates at invoice date is passed on to customers, but the cost of subsequent adverse currency movements on the group's exposure to foreign creditors typically exceeds the cost originally charged to customers. The increased cost to customers has an observed negative impact on local volume demand and this has to be considered when attempting to recover currency losses.

Operating net profit before impairment losses of R276 million reflected a decline of 76% compared to R1.2 billion in the prior year with forex losses being the major contributor to this decline in profitability.

Impairment losses of R2.8 billion recognised for the year adversely impacted profitability and reduced the group's shareholder equity base by 61% to R1.6 billion from R4.7 billion.

The impairment losses were mainly driven by increases in the weighted average cost of capital (WACC) and downward revisions to sales volumes in Angola and Nigeria. Further impairments were also required in DivFood and Plastic.

Net finance costs increased by 109% to R1.2 billion from R586 million. Rising interest rates coupled with an on average higher investment in working capital and the extension of maturity dates on existing funding led to a significant increase in net finance costs. The expensing of previously capitalised refinancing transaction costs, due to a significant modification of the group's funding, resulted in R88 million being expensed in the year. Furthermore, lender advisory costs of R247 million associated with the refinancing were expensed and classified as interest costs for the year. Accordingly, net finance costs included R335 million of non-recurring costs.

The group's effective tax rate for the year under review was negative 4.1% with an effective tax rate of 143.7% in the prior year. The tax rate for the period was materially impacted by the impairments.

A loss of R4.0 billion attributable to owners of Nampak Limited was incurred compared to a loss of R147 million in the comparative period and resulted in a loss per share of 117 295.5 cents compared to a loss of 4 879.5 cents per share (cps) in the prior year. Headline loss of R1.6 billion was reported compared to R229 million headline earnings in the prior period, resulted in a headline loss of 46 811.7 cps compared to headline earnings of 7 589.2 cps. The weighted average number of shares took into account the share consolidation and the impacts of the rights issue.

The net asset value per share of 19 810 cents decreased from 183 723 cents in September 2022, largely due to impairments.

Group results

Key financial features

Revenue

R16.6bn

down 2% (2022: R16.9bn)

Trading profit

R1.6bn

up 2% (2022: R1.6bn)

Net forex losses

R1.2bn

Nigeria and Angola (2022: R0.5bn)

Operating profit before impairments

R276m

down 76% (2022: R1.2bn)

Net impairment losses

R2.8bn

up from R0.5bn in 2022

Operating loss

R2.6bn

compared to profit of R0.6bn in 2022

Loss for the year

R4.0bn

compared to R26m in 2022

Headline loss per share

46 811.7cps

compared to headline earnings of 7 589.2cps in 2022

Current ratio

1.8

compared to 1.4 in 2022

Cash generated from operations

R1.6bn

compared to R0.8bn in 2022

Covenants complied with

Agreements for the next 3 years signed

Rights issue

R1.0bn raised

R960m net of costs

Progress made on debt refinancing, de-risking of the group and covenants

We worked to strengthen Nampak's capital structure by refinancing maturing debt facilities and reducing currency risk. This was contingent on a successful rights offer in September 2023 that was 38% oversubscribed.

The refinancing and rights issue were key events during the year that significantly improved the structure of the group's balance sheet and provide a sound platform for the group to operate from for the foreseeable future. There was a significant reduction in the US dollar denominated component of debt to a net 5% of the total net debt, thereby reducing the risk in the group's capital and funding structure. Historical debt that arose from expansion activities into the rest of Africa has been separated from funding required for operational requirements with the former component to be settled from the proceeds from the asset disposal plan over the ensuing 18 months. A flexible funding structure utilising borrowing-based financing, underpinned by inventories and trade receivables, was created to fund the group's operational requirements. Details of the refinancing package are set out in note 5.4 to the annual financial statements and in the directors' report.

Significant progress was made in reducing short-term debt to R720 million from R2.2 billion which enhanced the group's short-term liquidity position thereby materially de-risking the group and strengthening the group's balance sheet. The asset disposal plan remains core to the group's deleveraging plans supported by a clear focus on an improvement in operating efficiencies, further reductions in overheads, tight working capital control, cash generation and a conservative capital expenditure plan.

In terms of the restructured lender agreements, the group is required to reduce debt by R243 million by 31 March 2024 and R477 million by 30 September 2024 through internally generated cash and/or disposal proceeds from assets.

The debt required to be settled by 31 March 2024 has already been secured by completed asset disposals as set out in the asset disposal section of this report. Compliance with funding covenant ratios and other funding obligations and commitments remain key priorities.

The group remained compliant with loan covenants during quarterly assessments. In line with the new financing agreements that were concluded on 25 September 2023, covenants at 30 September 2023 were waived for the year-end measurement period. More favourable covenants were negotiated in line with the new financing structure. Covenant compliance for the year at each measurement period are set out on the table at the bottom of this page.

At year-end, Nampak Group's gross debt was R6.5 billion compared to R6.9 billion in the prior year. Net interest-bearing debt, excluding lease liabilities, decreased by 12% to R4.6 billion from R5.2 billion in the previous period, mainly due to the proceeds from the rights issue and improved cash generation supported by reduced levels of working capital.

Despite net interest-bearing debt declining, net gearing excluding capitalised leases rose to 242% by year-end from 108%, primarily due to the R1.2 billion of forex losses, R2.8 billion of impairments and R1.2 billion of net finance costs.

The group remains committed to an asset disposal plan which is expected to deliver proceeds of R2.7 billion that will be applied to reduce interest-bearing debt with resultant savings in net interest costs in the future. The asset disposal plan is expected to also reduce exposures to markets that have historically contributed significantly to the group's reported forex losses.

Covenant	Measurement Period 31 December 2022	Measurement Period 31 March 2023	Measurement Period 30 June 2023
Net debt/EBITDA	2.93	2.90	3.18
Net debt/EBITDA threshold	<3.50	<3.00	<3.30
EBITDA/Interest	3.83	3.35	2.87
EBITDA/Interest threshold	>3.00	>3.00	>2.75

Capital structure changes, share consolidation and rights issue

As part of the rights issue process the group's authorised share capital was converted from par value shares to no par value shares and increased to 600 000 000 no par value shares. A 250 for 1 share consolidation was implemented as part of the rights issue process. The oversubscribed right issue resulted in the successful refinancing of the group's debt. The group strengthened its shareholder base with the addition of new reference institutional shareholders.

Asset disposals

In March 2023, we reached an agreement to sell specific plant and equipment from the crates manufacturing unit which yielded proceeds of R40 million. These proceeds were utilised to repay net interest-bearing debt post 30 September 2023.

We wound down and closed the Tanzania manufacturing business, entering into a sale of property agreement with Canda (T) Investment Company Limited. The property's sale price was US\$5.6 million (including VAT), paid in four tranches. All payments have been received and are held in the attorney's escrow account until final transfer of the property. These proceeds will be used to repay interest-bearing debt.

In July 2023, we closed the non-beverage general metals business in Nigeria operated by Nampak Nigeria Limited (Nampak General Metals). Nampak General Metals entered into a sale and purchase agreement with Twinings Ovaltine Nigeria Limited to dispose of its property and various equipment, tools and machinery (Equipment). The effective date of the disposal will be on registration of transfer of the Nigeria Property into the purchaser's name, which is expected to be in the first half of FY2024. The consideration receivable for the Nigeria property and the equipment amounts to NGN 7.3 billion and NGN 200 million respectively which is approximately R180 million based on naira exchange rate at 30 August 2023 per SENS released on 30 August 2023. The net proceeds will be used to reduce net interest-bearing debt.

In line with the asset disposal plan, in the year ahead the group will continue to dispose of other assets, the proceeds of which will be used to settle interest-bearing debt.

IFRS 5: Non-current Assets Held for Sale and Discontinued Operations requires six specific criteria to be met for a non-current asset to be separately classified as held for sale and/or a discontinued operation. Where all criteria have been met, these assets have been classified as non-current assets held for sale. Certain of the assets identified for disposal have met five of the six requirements but these asset disposal groups are not yet considered highly probable and accordingly have not been classified as assets held for sale and/or discontinued operations.

Cost-saving initiatives

In 2023, the group focused on cost savings through site rationalisation and cost synergies between Bevcan and DivFood. We started merging DivFood with Bevcan to create 'ONE Nampak'. Retrenchment and restructuring costs of R150 million were incurred in the year which are expected to significantly lower the group's future cost base.

Exchange rates and cash transfers

The naira devalued 44% during the year from NGN437.74/US dollar to NGN776.79/US dollar. We transferred R1.3 billion from Nigeria (2022: R1.7 billion) to group raw material suppliers. R192 million in cash was held at the official naira-to-US dollar rate at the year-end.

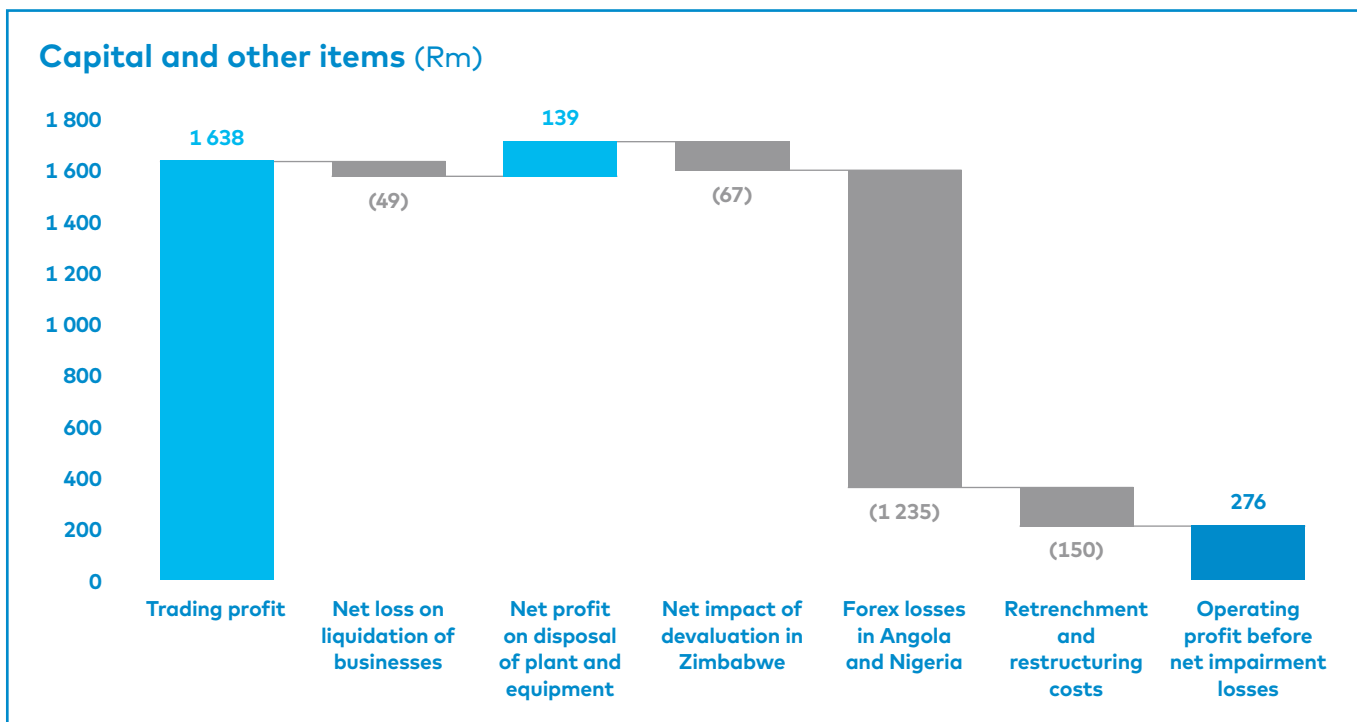
In Angola, the kwanza devalued by 47% from AOA443.55/US dollar to AOA842.04/US dollar resulting in a forex loss of R179 million. The majority of this devaluation occurred in the 47 days following 6 May 2023. Cash transfers of R621 million (2022: R717 million) from Angola for raw materials purchased were for the majority of the year largely unrestricted and US dollar availability was good although there are signs of a tightening in dollar availability.

The rand's 13% average weakening against the US dollar benefited reported results from US dollar operations. However, the 4% weaker rand at 30 September 2023 negatively impacted the translation of US dollar-denominated debt, the net debt-to-EBITDA covenant and gearing levels.

In line with group policy, in South Africa unless there is a pass-through pricing arrangement with customers, we hedge foreign currency exposures, except for the US dollar component of the group's debt. Notably, we cannot hedge against currency fluctuations in Nigeria, Angola and Zimbabwe where hedging instruments are not available.

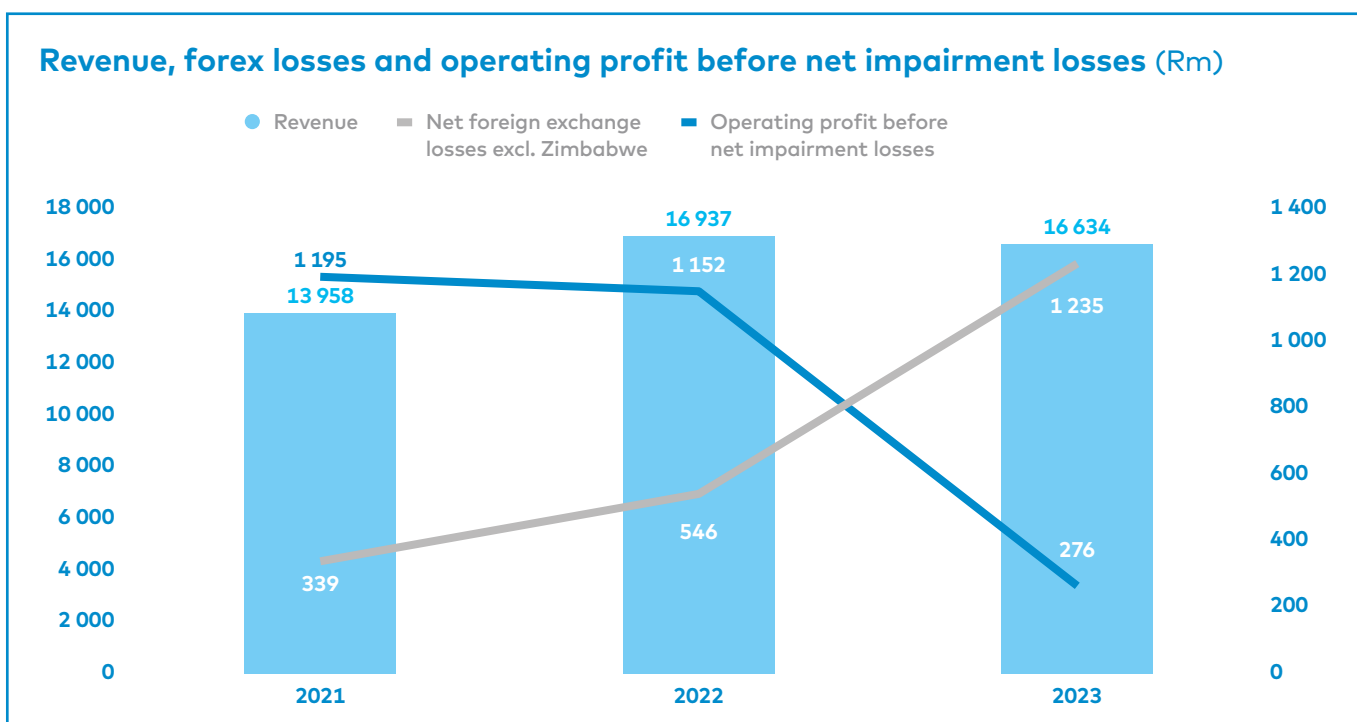
Chief financial officer's report continued

Trading profit to operating profit reconciliation:



The net loss on liquidation relates to the liquidation of Nampak Holdings UK Limited and DivFood Botswana and is a non-cash flow item. The Tanzania and General Metals Nigeria properties were disposed of during the year resulting in a net profit on disposal of R139 million. The net impact of the devaluation in the ZWL resulted in a loss of R67 million with the largest adverse impact on trading profit being the forex losses incurred in Nigeria and Angola which have contributed 91% to the R1.4 billion movement between trading and operating profit before net impairments. As part of a stringent review of costs, retrenchment and restructuring costs of R150 million were incurred.

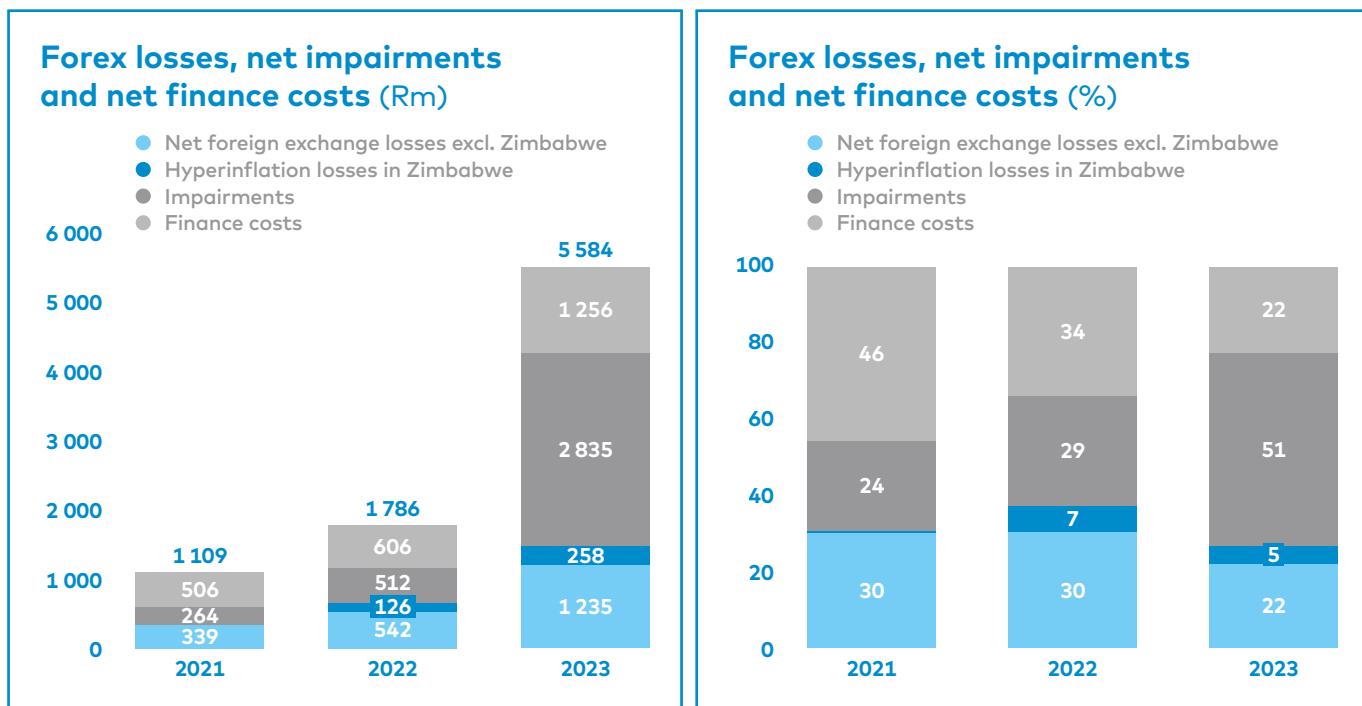
Revenue and operating profit



Operating profit before net impairment losses decreased by 76% to R276 million from R1.2 billion from the prior year. Metals reported a decrease of R554 million primarily due to forex losses incurred in Bevcan Nigeria. Plastic and Paper recorded increases of R12 million and R52 million respectively.

We managed overheads well in an inflationary environment.

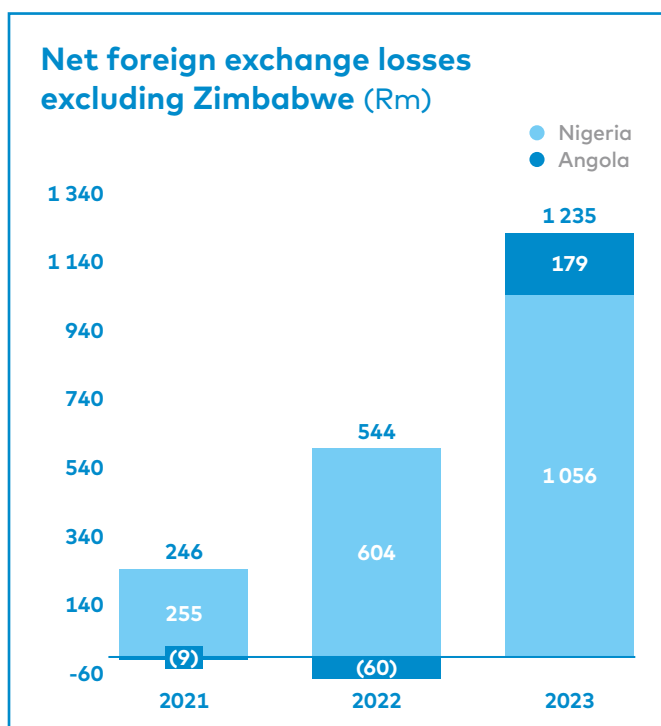
Key factors impacting profitability



Contributing factors

Foreign exchange losses

Net foreign exchange losses excluding Zimbabwe

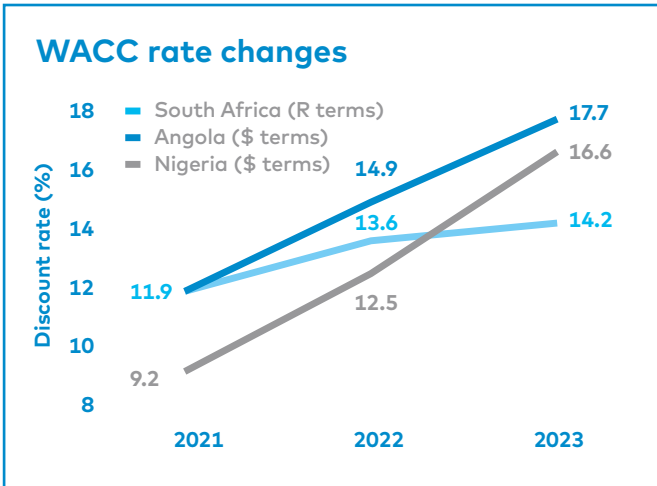
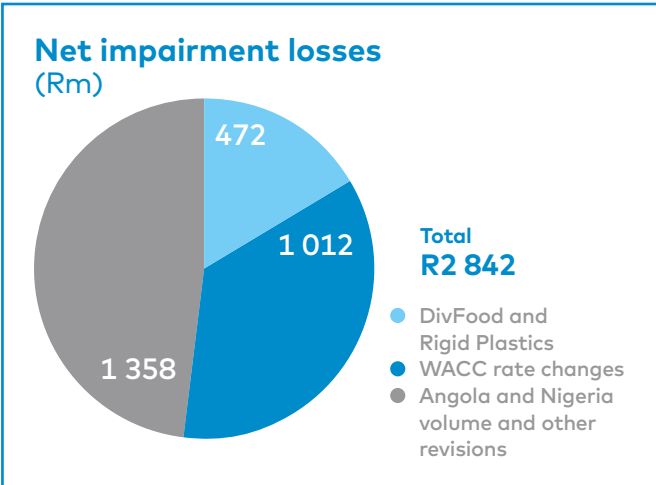
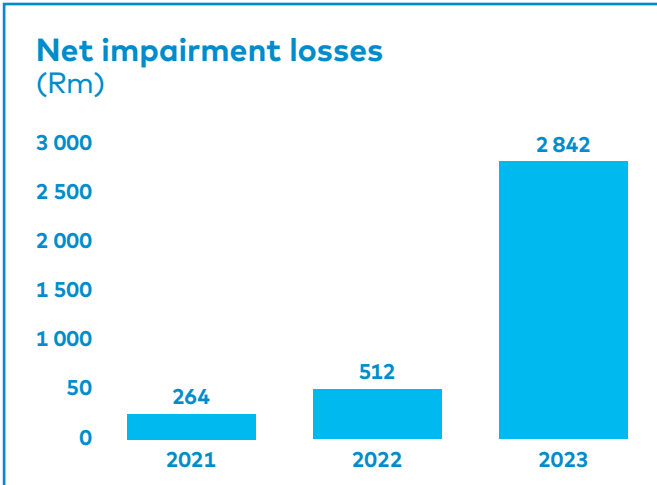


Forex loss mitigation

To address forex losses in Nigeria pricing mechanisms were amended with effect from 1 April 2023 to recover forex rates linked to our most recently secured rates on the secondary market used to settle foreign creditors. Additionally, to minimise timing differences and resultant forex losses trading terms with customers are under review.

Net impairment losses

The significant increase in net impairments in the year was attributable to material increases in WACC rates, downward revisions to sales volumes by Bevcan Nigeria and Bevcan Angola and net asset impairments in DivFood and Rigid Plastics.



WACC rates

The WACC rate applied to Bevcan Angola and Bevcan Nigeria increased, primarily because of higher risk-free rates and country risk premiums as well as increased interest rates. The South Africa WACC rate increased due to a higher risk-free rate and higher interest rates.

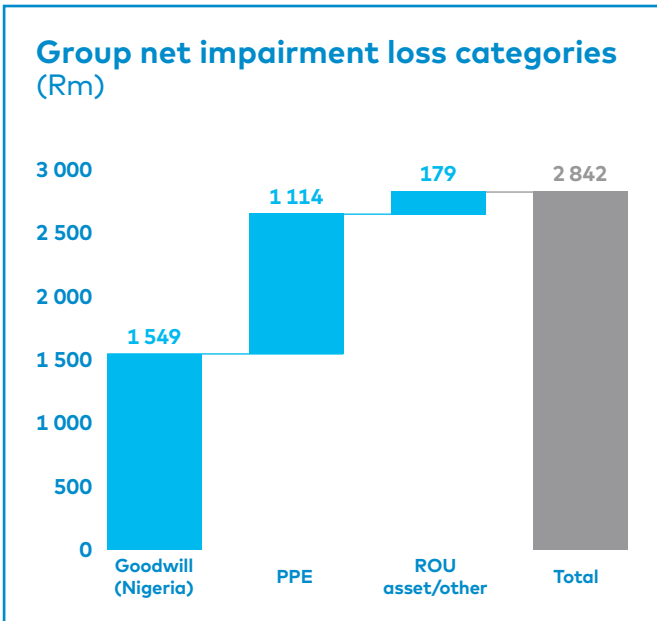
These shifts reflect broader economic conditions and market dynamics.

Downward revision to forecast volumes

Despite increased sales volumes in Angola in the year, forecast total volumes were revised downwards given challenging economic conditions. In Nigeria, volumes are expected to be under pressure as rising import costs adversely impact consumer demand. The reduction in the projected value in use from the downward revision in expected future cash flows resulted in an impairment loss of R1.4 billion attributable to these two countries.

Further volume revisions in DivFood and Plastic contributed R472 million to net impairments. The total impact of these WACC rate changes amounted to R1.0 billion.

This consisted of goodwill impairments in Nigeria of R1.5 billion and asset impairments of R827 million in Angola and R290 million and R175 million in DivFood and Plastic respectively.



Net interest expense

The global interest rate environment was characterised by rising interest rates. The increase in the South African Reserve Bank's repo rate from 4.25% to 7.75% in the year was a major factor behind the increase in Nampak's interest expenses. Increased interest rates coupled with our higher on average debt position during the year led to a higher net interest expense.

Once-off transaction costs of R335 million incurred on the restructuring of the debt significantly contributed to the higher net interest costs. Net interest on core borrowings increased by R292 million to R780 million from R488 million in the prior year.

The weakening of the rand/US dollar exchange rate adversely impacted reported US dollar interest incurred. Working capital reductions in the second half benefited the net interest expense.

The interest rate on the USSP funding increased from 5.25% (fixed rate entered into 10 years ago) to 12.0% with effect from 1 April 2023 reflecting the increase in South Africa's country risk premium and accommodating the extension of the maturity date.

Debt extension costs

Nampak incurred expenses related to the debt maturity extensions negotiated with funders, as well as to the group's restructuring. While these costs are expected to yield long-term benefits, they contributed to the increase in finance costs in the short term.

Net finance costs were inclusive of the once-off costs of expensing R88 million of refinancing costs previously capitalised given the substantial modification of the financing package in the year as well as R247 million of advisory costs associated with the refinancing. These advisory costs were inclusive of the Chief Restructuring Officer's fees.

Loss/earnings per share

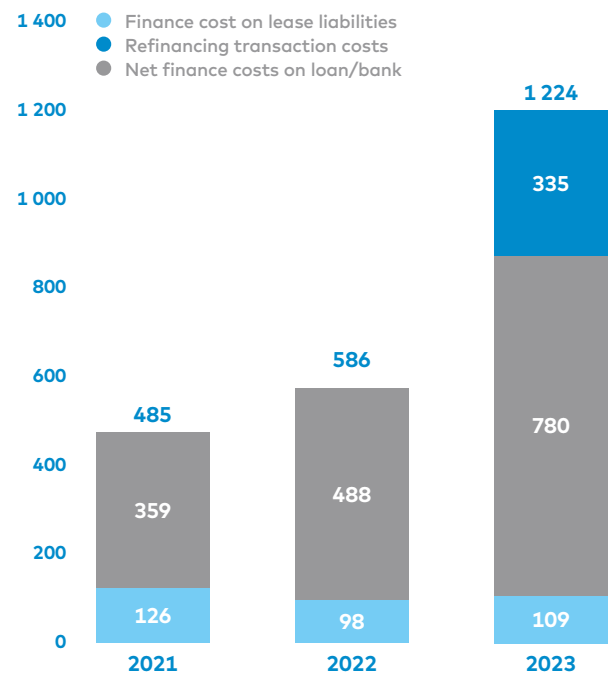
The business remained exposed to the negative effects of unfavourable foreign exchange movements and increases in interest rates. In the year, the Nigerian, Angolan and Zimbabwean currencies deteriorated significantly against the US dollar.

Forex exchange losses, net impairment losses and high net finance costs adversely impacted profitability.

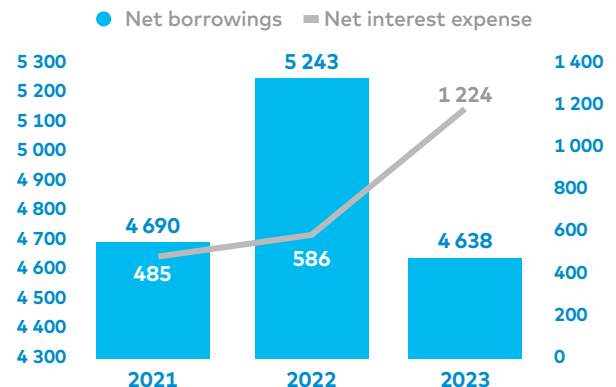
The impairments were driven by increased WACC rates and reduced forecast volumes as a result of inflationary pressure across our markets. Net impairments did not impact the headline (loss)/headline earnings per share.

Comparatives were restated to account for the effects of the rights issue.

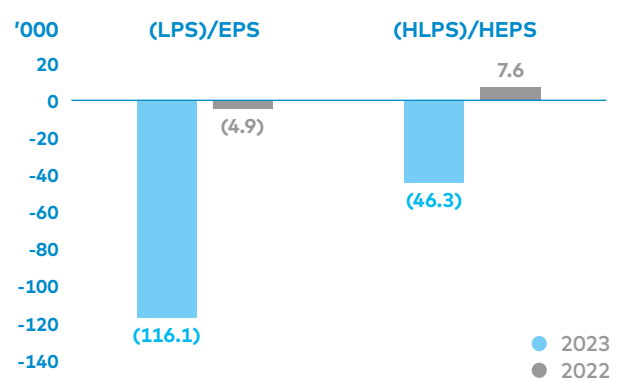
Net interest expense (Rm)



Net debt and interest expense (Rm)

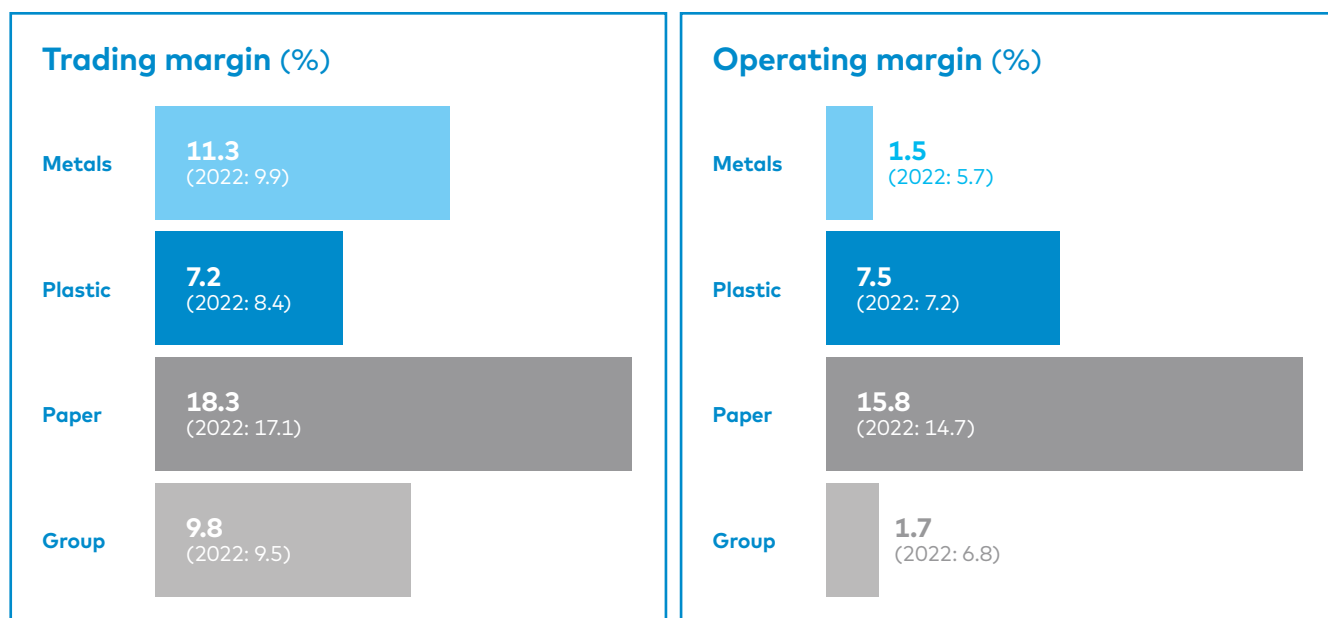


(Loss)/earnings per share (c)



Segmental and operational performance

Performance by substrate



Revenue

Metals

Metals reported revenue of R12.3 billion, down 5% year-on-year with declines noted in all operations excluding Bevcan Angola and Nampak Kenya.

Plastic

The Plastic segment's revenue rose to R3.0 billion, up 2%, despite sales volume declines in South Africa due to depressed consumer spending. Our Zimbabwe operations contributed positively to revenue growth.

Paper

The Paper segment grew pleasingly to report R1.4 billion in revenue, a 28% increase, boosted by record tobacco crops in Zimbabwe partially offset by a decline in revenue in Zambia.

Trading profit

Metals

Metals achieved R1.4 billion in trading profit, an 8% increase, driven by improved efficiencies, stable commodity prices in Bevcan South Africa and DivFood retuning to profitability.

Plastic

Plastic reported a 12% decline in trading profit to R217 million, mainly because of power cuts in South Africa which impacted the profitability of Rigids Plastic.

Paper

Trading profit increased to R250 million, up 37% from the prior year with pleasing results from our operations in Zimbabwe and Zambia.

Operating profit before net impairments

Metals

Declined by 76% to R178 million, mainly due to high forex losses in Nigeria and a forex loss in Angola compared to a forex gain in the prior year, significantly affecting operating profitability.

Plastic

Increased by 6% from the prior year to R224 million. A pleasing result was delivered by Megapak Zimbabwe. A loss was reported in Rigid Plastic.

Paper

Paper showed robust growth with a 38% increase in operating profit before net impairment losses to R216 million boosted by our Zimbabwe operation.

Performance by region

Revenue



South Africa

Revenue from South African operations decreased by 3% to R11.1 billion, primarily due to decreased sales volumes in Bevcan South Africa, DivFood and Rigid Plastic.



Rest of Africa

Revenue from operations from the Rest of Africa increased by 1% to R5.5 billion. Revenue increases in Bevcan Angola, our Zimbabwe operations, Kenya and Malawi were limited by reduced revenue from Bevcan Nigeria linked to volume declines.

Trading profit



South Africa

Trading profit from South African operations increased by 39% to R554 million from the prior year assisted by a strong performance from Bevcan South Africa and a return to profitability by DivFood partially offset by a decline in trading profit from Rigid Plastic.



Rest of Africa

The Rest of Africa trading profit of R1.3 billion was in line with the prior year. The improvements in trading profit from Bevcan Angola, Megapak and Hunyani were offset by the decline in profitability from Bevcan Nigeria.

Corporate

The corporate services variance is largely attributable to the non-recurrence of the Malbak Pension Fund surplus of R222 million and the reversal of restructuring provisions of R48 million no longer required which were partially offset by the insurance gap cover loss of R50 million in the prior year. In 2023 corporate services was impacted by a top-up of R65 million of the expected credit loss provision related to the Reserve Bank of Zimbabwe receivable, a loss of R49 million on the liquidation of NHUK Holdings Limited and DivFood Botswana, adverse unrealised movements of R44 million on forward cover contracts, retrenchment costs of R33 million in August 2023 partially offset by other cost savings of R11 million.

Operating profit before net impairments



South Africa

Operating profit before net impairments from South African operations increased by 17% to R482 million from the prior year. Restructuring costs of R33 million were incurred during the year.



Rest of Africa

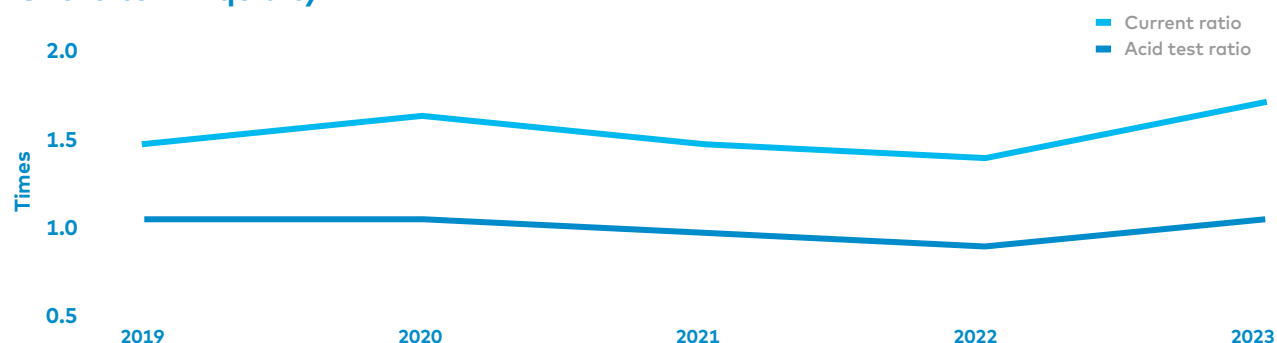
Operating profit before net impairments of R136 million decreased 80%, down from R689 million contribution in the prior year, primarily due to higher forex losses in 2023.

Debt refinancing and covenants

The group successfully concluded credit approved term sheets on 6 August 2023 in respect of a refinancing package, on terms and conditions which are acceptable to the company. Formal long form agreements giving effect to the terms contained in the credit approved term sheets were concluded on 25 September 2023. The group complied with its covenants for the measurement periods to date. In line with the new financing agreements, covenant compliance at 30 September 2023 was waived.

Despite net interest-bearing debt at 30 September 2023 declining compared to the prior year, significant foreign exchange losses, net impairments and interest costs incurred during the year have impacted the debt gearing levels negatively.

Short-term liquidity



Chief financial officer's report continued

The short-term liquidity improved due to the successful refinancing of the group with the short-term portion of loans reducing to R720 million from R2.2 billion in the prior year. This was complemented by an improvement in net working capital. Management initiatives to reduce working capital through renegotiated customer terms and reduced inventory levels yielded positive results.

Capital expenditure

In 2023, we increased capex to R353 million from R208 million. This capex was partially funded by proceeds of R236 million from asset disposals.

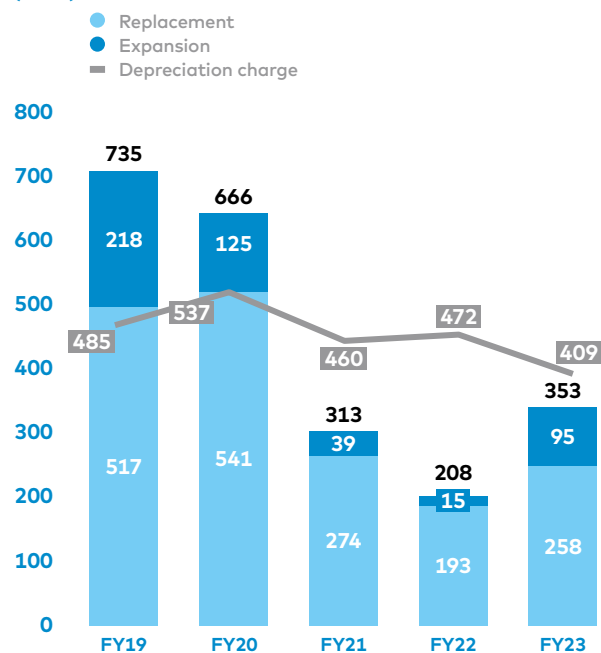
Capex remained a key focus area, with replacement capex reflecting most of the group's spend.

The group's asset base remains well capitalised with no significant capital expenditure requirements expected in the short to medium term other than a R350 million expansion required to line 2 at Bevcan Springs, South Africa.

Going concern

Notes 1.3 and 1.4 to the group's annual financial statements set out the group's going concern assessment. The board has assessed the group's consolidated budget for 2024 and the strategic plan to 2028; the resultant profitability levels, financial position and cash flows, considering the material factors in each of the geographies and substrates in which Nampak operates; and the group's available funding facility, the positive impacts of the successful rights offer and refinancing and potential assets for disposal. The group has successfully restructured its debt and has also delivered on the rights offer process. This has significantly improved the group position from a going concern perspective. As a result, the group's current and acid test ratios were 1.8 times and 1.0 times respectively as at 30 September 2023 reflecting improvements over the prior year ratios of 1.4 times and 0.9 times respectively. It is of the view that Nampak has adequate access to liquidity for the foreseeable future.

Capital expenditure and depreciation (Rm)



While there are material uncertainties, based on these assessments, the financial statements were prepared on the going concern assumption on the basis that the group will continue to operate for the foreseeable future.

Subsequent events

On 31 October 2023, the group received the first instalment of NGN6.7 billion (US\$8.6 million) from the disposal of property and related plant of Nampak Nigeria Ltd, a group company, in terms of the agreement effected during August 2023 for NGN7.5 billion (US\$9.5 million) on meeting certain conditions pertaining to the agreement. The details of this transaction were communicated in a SENS dated 30 August 2023. R104.7 million (US\$5.5 million) of these proceeds have been remitted to Nampak International Ltd to date. The balance of the purchase price net of related disposal costs is expected to be received in January 2024.

On 31 October 2023, the group disposed of a property located in the United Kingdom for the net amount of R41.4 million (GBP1.8 million). Transfer was effected on 10 November 2023 and these proceeds were received during November 2023. This property was disclosed as held for sale at 30 September 2023.

Both disposals were effected in terms of the group's asset disposal plan and the net proceeds will be applied to the reduction of the group's outstanding debt obligations.

Accounting standards

There were no significant new accounting standards applicable to the group in the year under review.

Outlook

The successful conclusion of the rights offer and the refinancing of the group has improved the group capital and financing structure with significantly less debt and a material reduction in exposure to dollar-denominated funding. The implementation of the asset disposal plan will be critical over the next 18 months thereby refocusing the group and facilitating a material reduction in the group's net debt position.

In Nigeria, although appropriate monetary reform policy action has been taken, demand is expected to decline as consumers come under increasing pressure in a challenging macroeconomic environment. With respect to forex losses, the Nigerian monetary market reforms are expected to gradually result in liquidity returning to forex markets which, coupled with the reduction in the group's open position in monetary items in Nigeria at year-end, is expected to materially reduce the group's exposure to forex losses.

We will continue to focus on further operating efficiency improvements, cost reductions, opportunity assessments and intensified capital review processes. The initiatives will be augmented by further reviews of working capital cycles and continued prudent management of capex.

Forecasting and agility in changing market conditions remains vital. In 2024 there will be a particular focus on the management of appropriate levels of working capital and we will prudently pursue the compelling opportunities available with a relentless focus on simplification in our journey to the newly focused Nampak Metals Group. We acknowledge the essential role of sound corporate governance structures and processes and will continue to manage the group with vigour.

Appreciation

My sincere appreciation goes to my highly skilled and most professional team for their outstanding dedication and ability to navigate these dynamic times. In addition, I would like to thank the board, audit and risk committee, other group committees and our providers of funding, our suppliers and customers for their continued support during 2023. The support of our shareholders, both existing and new, through an oversubscribed rights offer complemented by support from our funding partners lays the foundation for the planned turnaround.

Despite a challenging year our teams remained positive and performed their work admirably and with great focus and tenacity. In 2024, we look forward to further reducing net interest-bearing debt through the successful implementation of the asset disposal plan and enhanced cash generation. This will allow Nampak to strengthen its position across its chosen markets and to remain a trusted supplier of quality products and service excellence.



Glenn Fullerton

Chief Financial Officer

Bryanston

4 December 2023

Five-year financial review

Definitions

Treasury shares

Treasury shares represent shares in Nampak Limited held by group subsidiary companies and trusts where the shares are controlled by Nampak Limited from a voting perspective.

Weighted average number of shares

Weighted average number of shares in issue is calculated as the number of shares in issue at the beginning of the year (net of treasury shares), increased by shares issued during the year, weighted on a time basis for the period during which they have participated in the profit of the group.

Trading profit

Operating profit adjusted for capital and other items, as well as impairment losses and impairment loss reversals.

Capital and other items

Capital items relate to items other than impairment losses/loss reversals that are adjusted for in the headline earnings per share calculation. Other items are defined as losses/(gains) which do not arise from normal trading activities or are of such a size, nature or incidence that their disclosure is relevant to explain the performance for the year.

Net operating assets

Total assets, excluding current and deferred tax balances, bank balances and deposits, and liquid bonds and other loan receivables, less trade and other current payables, provisions and other non-current liabilities.

EBITDA

Operating profit before depreciation, amortisation and net impairment losses.

EBITDA (debt covenants)

Trading profit before depreciation and amortisation adjusted for unrealised foreign exchange losses/(gains) and capitalised lease payments.

Net debt

Loans, lease liabilities and bank overdrafts, less bank balances and deposits and other loan receivables.

Net debt (debt covenants)

Loans and bank overdrafts, less qualifying bank balances and deposits.

Net finance costs (debt covenants)

Finance costs (including capitalised finance costs) less finance costs pertaining to capitalised leases less finance income.

Employee numbers used for calculations

Total number of employees adjusted for discontinued operations.

Market capitalisation

Number of ordinary shares in issue multiplied by the year-end market price per share.

Return on equity

$\frac{\text{Profit attributable to ordinary shareholders}}{\text{Average shareholder's equity}}$

Return on net assets – based on trading profit

$\frac{\text{Trading profit, investment income and share of profit in associates and joint ventures}}{\text{Average net operating assets}}$

Return on net assets – based on operating profit

$\frac{\text{Operating profit, investment income and share of profit in associates and joint ventures}}{\text{Average net operating assets}}$

Net asset turn

$\frac{\text{Revenue}}{\text{Average net operating assets}}$

Return on invested capital – trading profit

$\frac{\text{Trading profit adjusted for notional taxation}}{\text{Average net debt and average total equity}}$

Return on invested capital – based on operating profit

$\frac{\text{Operating profit adjusted for notional taxation}}{\text{Average net debt and average total equity}}$

Current ratio

$\frac{\text{Current assets including non-current assets classified as held for sale}}{\text{Current liabilities including liabilities directly associated with assets classified as held for sale}}$

Acid-test ratio

$\frac{\text{Current assets including non-current assets classified as held for sale, less inventories}}{\text{Current liabilities including liabilities directly associated with assets classified as held for sale}}$

Net debt to EBITDA (debt covenants)

$\frac{\text{Net debt (debt covenants)}}{\text{EBITDA (debt covenants)}}$

EBITDA interest cover (debt covenants)

$\frac{\text{EBITDA (debt covenants)}}{\text{Net finance costs (debt covenants)}}$

Gross gearing

$\frac{\text{Loans, lease liabilities and bank overdrafts}}{\text{Total equity}}$

Net gearing

$\frac{\text{Net debt}}{\text{Total equity}}$

Productivity per employee

$\frac{\text{EBITDA (adjusted for net impairment losses)}}{\text{Employee numbers used for calculations}}$

Employment cost per employee

$\frac{\text{Employee benefit expense}}{\text{Employee numbers used for calculations}}$

Earnings yield

$\frac{\text{Headline earnings per share}}{\text{Year-end market price per share}}$

Dividends/cash distributions yield

$\frac{\text{Dividends/cash distributions per ordinary share}}{\text{Year-end market price per share}}$

Price/earnings ratio

$\frac{\text{Year-end market price per share}}{\text{Headline earnings per share}}$

R million		2023	2022	2021	2020	2019
Statistics						
Earnings data						
Weighted number of ordinary shares in issue	'000	3 438	3 013	3 047	3 044	3 043
Headline earnings per share	cents	(46 811.7)	7 589.2	13 204.8	(18 573.7)	(4 100.5)
Change over previous year	%	(717)	(43)	171	(353)	(113)
Earnings per share	cents	(117 295.5)	(4 879.5)	6 800.8	(113 915.7)	(27 987.8)
Change over previous year	%	(2 304)	(172)	106	(307)	(274)
Financial data						
Return on equity	%	(128.0)	(3.0)	4.1	(49.3)	(8.8)
Return on net assets						
— based on trading profit	%	16.6	14.2	12.8	5.6	9.6
— based on operating profit	%	(26.2)	5.7	8.4	1.6	0.3
Return on invested capital						
— based on trading profit	%	12.5	10.6	9.8	4.8	7.7
— based on operating profit	%	(19.5)	4.2	6.4	1.4	0.3
Current ratio	times	1.8	1.4	1.5	1.7	1.5
Acid-test ratio	times	1.0	0.8	0.9	1.0	1.0
Net asset turn	times	1.7	1.5	1.3	0.9	1.1
EBITDA — operating profit (continuing operations)	Rm	685.1	1 623.9	1 655.3	253.6	1 606.1
Effective rate of tax	%	(4.1)	143.7	15.2	8.9	(21.5)
Net debt	Rm	5 865.5	6 548.0	5 997.3	6 064.7	5 598.4
Net debt excluding capitalised lease liabilities	Rm	4 639.4	5 242.5	4 691.3	4 856.5	5 598.4
Gross gearing	%	405.2	167.9	162.7	197.2	98.5
Net gearing	%	306.4	134.3	134.5	149.1	68.2
Net gearing — excluding lease liabilities		242.4	107.5	105.2	115.2	68.2
Number ordinary shares in issue*	'000	8 268	2 538	2 583	2 580	2 579
Net asset value per ordinary share	cents	19 810	183 723	193 000	193 250	346 250
— Change over previous year	%	(89)	(5)	(0)	(44)	(12)
Employee data						
Permanent employees		3 667	4 314	4 252	4 454	5 766
Temporary employees		1 117	1 298	1 285	738	878
Total employees		4 784	5 612	5 537	5 192	6 644
Employee numbers used for calculations		4 784	5 612	5 537	5 192	5 865
Revenue per employee	R'000	3 477	3 018	2 521	2 172	2 497
Employment cost per employee	R'000	479	409	421	400	395
Productivity per employee	Index	143	198	251	(725)	13

* Net of Treasury shares. Prior years adjusted for impact of share consolidation in July 2023.

Five-year financial review continued

R million	2023	2022	2021	2020	2019
Operating results					
Continuing operations					
Revenue	16 633.6	16 936.5	13 958.4	11 277.9	14 642.4
Trading profit	1 637.9	1 611.4	1 421.5	682.1	1 557.7
Operating (loss)/profit	(2 565.8)	640.1	930.6	(4 303.2)	253.8
(Loss)/profit after tax from continuing operations	(3 951.8)	(25.7)	377.4	(4 348.8)	(389.7)
Discontinued operations					
Profit/(loss) from discontinued operations	—	—	—	368.7	(1 123.9)
(Loss)/profit for the year	(3 951.8)	(25.7)	377.4	(3 980.1)	(1 513.6)
Attributable to:					
Equity holders of Nampak Limited	(4 032.8)	(146.9)	207.2	(3 467.6)	(851.6)
Non-controlling interests	81.0	121.2	170.2	(512.5)	(662.0)
Total	(3 951.8)	(25.7)	377.4	(3 980.1)	(1 513.6)
Statements of financial position					
Property, plant, equipment and investment property	4 341.4	5 452.0	5 360.9	5 905.8	7 195.2
Right of use assets	453.0	679.5	694.9	871.6	—
Intangible assets (including goodwill)	590.0	2 117.9	1 846.7	2 042.4	3 904.3
Retirement benefit asset	97.8	221.6	—	—	—
Deferred tax and other non-current assets	542.8	559.8	505.7	492.8	1 312.5
Current assets	7 885.8	8 821.9	7 527.0	6 822.2	10 047.6
Total assets	13 910.8	17 852.7	15 935.2	16 134.8	22 459.6
Total equity	1 914.1	4 876.3	4 459.1	4 372.5	8 209.9
Loans — non-current	5 809.9	4 721.9	4 474.3	5 755.2	6 132.8
Lease liabilities — non-current	1 016.1	1 090.9	972.8	1 029.8	—
Retirement benefit obligations	727.6	746.3	801.2	775.5	923.9
Deferred tax and other non-current liabilities	54.8	106.1	188.0	257.2	546.1
Current liabilities	4 388.3	6 311.2	5 039.8	3 944.6	6 646.9
Total equity and liabilities	13 910.8	17 852.7	15 935.2	16 134.8	22 459.6

R million		2023	2022	2021	2020	2019
Cash flow						
	R million					
Cash generated from operations before working capital changes		740.4	1 503.7	1 680.4	720.1	1 846.7
Cash generated from operations		1 645.0	845.2	1 059.2	1 087.1	1 141.4
Cash generated from operating activities		176.0	53.4	306.6	414.7	263.5
Additions to property, plant, equipment and intangibles		(352.5)	(208.3)	(312.9)	(666.2)	(734.8)
Net increase/(decrease) in cash		401.0	299.0	(208.0)	11.1	532.8
Share performance¹						
Market price per share						
Highest	cents	36 535	437	361	1 110	1 617
Lowest	cents	11 756	185	81	60	833
Year-end	cents	21 200	185	335	90	949
Number of ordinary shares in issue	'000	8 476	690 475	690 475	689 812	689 812
Market capitalisation	R million	1 797	1 277	2 313	621	6 546
Volume of shares traded	'000	4 512 049	544 395	1 088 106	532 662	206 123
Value of shares traded	R million	95 850.7	1 855.6	2 562.6	1 742.2	2 519.0
Volume of shares traded as a percentage of total issued shares	%	53 232.1	78.8	157.6	77.2	29.9
Earnings yield	%	(220.8)	19.4	18.6	(97.4)	(2.0)
Price/earnings ratio	times	(0.5)	5.1	5.4	(1.0)	(49.0)
Exchange rates						
Rand/UK pound						
Average		22.31	20.22	20.29	20.68	18.30
Closing		23.08	20.21	20.34	21.55	18.65
Rand/Euro						
Average		19.41	17.12	17.73	18.19	16.18
Closing		20.00	17.74	17.49	19.56	16.54
Rand/US dollar						
Average		18.17	15.82	14.83	16.24	14.35
Closing		18.92	18.09	15.11	16.69	15.17
Naira/US dollar						
Average		547.92	419.25	400.33	375.15	361.55
Closing		776.79	437.74	413.05	381.75	362.04
Kwanza/US dollar						
Average		614.99	490.60	655.82	549.67	333.94
Closing		842.04	443.55	614.21	640.10	389.49
RTGS/US dollar						
Closing ²		5 252.66	621.53	87.67	81.44	15.20

1. Prior year numbers are not adjusted for the impact of the share consolidation in July 2023.
2. No average rate is disclosed as Zimbabwe is considered to be a hyperinflationary economy and the results of the Zimbabwe group companies are, therefore, translated at the closing rate.

Consolidated statement of comprehensive income

for the year ended 30 September 2023

R million	2023	2022
Revenue	16 633.6	16 936.5
Raw materials and consumables used	(9 967.7)	(10 305.7)
Employee benefit expense	(2 293.3)	(2 074.3)
Depreciation and amortisation expense	(409.3)	(471.7)
Net expected credit loss reversals/(losses) – financial instruments other than the Reserve Bank of Zimbabwe financial instrument	3.0	(41.3)
Other operating expenses	(3 889.9)	(2 958.8)
Other operating income	266.2	137.2
Operating profit before items below	342.6	1 221.9
Net impact of devaluation associated with Zimbabwe	(66.8)	(69.7)
Net foreign exchange gains	256.7	64.8
Monetary adjustment for hyperinflation	(258.1)	(125.5)
Net expected credit losses – Reserve Bank of Zimbabwe financial instrument	(65.4)	(9.0)
Operating profit before net impairment losses	275.8	1 152.2
Net impairment losses	(2 841.6)	(512.1)
Operating (loss)/profit	(2 565.8)	640.1
Finance costs	(1 255.5)	(605.9)
Finance income	31.7	19.5
Share of net (loss)/profit in associates and joint venture	(6.2)	5.1
(Loss)/profit before tax	(3 795.8)	58.8
Income tax expense	(156.0)	(84.5)
Loss for the year	(3 951.8)	(25.7)
Other comprehensive income for the year, net of tax	16.0	464.0
Items that will not be reclassified to profit or loss		
Net actuarial (loss)/gain from retirement benefit obligations	(0.7)	11.1
Items that may be reclassified to profit or loss		
Exchange differences on translation of foreign operations excluding Zimbabwe operations	38.0	609.7
Exchange differences on translation and hyperinflation effects of Zimbabwe operations	(24.7)	(160.1)
Gain on cash flow hedges	3.4	3.3
Total comprehensive (loss)/income for the year	(3 935.8)	438.3
(Loss)/profit for the year attributable to:		
Owners of Nampak Limited	(4 032.8)	(146.9)
Non-controlling interest in subsidiaries	81.0	121.2
Total	(3 951.8)	(25.7)
Total comprehensive (loss)/income for the year attributable to:		
Owners of Nampak Limited	(4 008.2)	375.1
Non-controlling interest in subsidiaries	72.4	63.2
Total	(3 935.8)	438.3
Loss per share*		
Basic (cents per share)	(117 295.5)	(4 879.5)
Diluted basic (cents per share)	(117 295.5)	(4 879.5)

* Loss per share has been restated due to the share consolidation and rights issue.

Consolidated statement of financial position

at 30 September 2023

R million	2023	2022
Assets		
Non-current assets		
Property, plant, equipment and investment property	4 341.4	5 452.0
Right of use assets	453.0	679.5
Goodwill	457.7	1 976.1
Other intangible assets	132.3	141.8
Investments in associates, joint venture and other	34.6	39.3
Retirement benefit asset	97.8	221.6
Deferred tax assets	495.7	436.0
Loan and lease receivables — non-current	12.5	84.5
	6 025.0	9 030.8
Current assets		
Inventories	3 413.5	3 934.9
Trade and other current receivables	2 488.6	3 258.4
Tax assets	15.4	24.0
Loan and lease receivables — current	34.1	51.8
Bank balances and deposits	1 843.9	1 501.6
	7 795.5	8 770.7
Assets classified as held for sale	90.3	51.2
Total assets	13 910.8	17 852.7
Equity and liabilities		
Capital and reserves		
Stated and share capital	1 266.3	35.5
Capital reserves	(501.5)	(245.9)
Other reserves	729.2	667.1
Retained earnings	143.8	4 205.7
Shareholders' equity	1 637.8	4 662.4
Non-controlling interests	276.3	213.9
Total equity	1 914.1	4 876.3
Non-current liabilities		
Loans — non-current	5 809.9	4 721.9
Lease liabilities — non-current	1 016.1	1 090.9
Retirement benefit obligation	727.6	746.3
Deferred tax liabilities	46.4	95.6
Other non-current liabilities	8.4	10.5
	7 608.4	6 665.2
Current liabilities		
Trade and other current payables	3 257.6	3 753.8
Provisions	135.1	115.9
Tax liabilities	65.6	68.4
Loans and lease liabilities — current	930.0	2 373.1
	4 388.3	6 311.2
Total equity and liabilities	13 910.8	17 852.7

Consolidated statement of changes in equity

for the year ended 30 September 2023

R million	2023	2022
Opening balance	4 876.3	4 459.1
Rights issue – net proceeds of shares issued during the year	959.9	–
Share-based payment expense	(1.1)	26.5
Share grants forfeited	–	(2.0)
Liquidation of business ¹	37.5	–
Treasury shares purchased ²	(12.6)	(45.5)
Total comprehensive (loss)/income for the year	(3 935.8)	438.3
Dividends paid	(10.1)	(0.1)
Closing balance	1 914.1	4 876.3
Comprising:		
Stated and share capital	1 266.3	35.5
Capital reserves	(501.5)	(245.9)
Share premium	–	270.9
Treasury shares	(523.7)	(558.9)
Share-based payments reserve	22.2	42.1
Other reserves	729.2	667.1
Foreign currency translation reserve	1 373.2	1 313.8
Financial instruments hedging reserve	6.7	3.3
Recognised actuarial losses reserve	(624.5)	(623.8)
Other ³	(26.2)	(26.2)
Retained earnings	143.8	4 205.7
Shareholders' equity	1 637.8	4 662.4
Non-controlling interests	276.3	213.9
Total equity	1 914.1	4 876.3

1. Represents the foreign currency translation reserve relating to Nampak Holdings (UK) Ltd that was recycled on its liquidation.
2. During the year 8 884 629 Nampak Limited shares were acquired pre-consolidation at a cost of R12.6 million as the deferred incentive portion of the Executive Incentive Plan for 2022. The deferred incentive is structured as forfeitable shares, meaning participants are the owners of the shares, but the shares are subject to forfeiture (until vesting) and disposal restrictions (until the expiry of the holding period, where applicable).
3. Other reserves relate to deferred tax on the equity contribution by Nampak International Limited to Nampak Zimbabwe of R26.2 million (debit).

Consolidated statement of cash flows

for the year ended 30 September 2023

R million	2023	2022
Cash flows from operating activities		
Cash receipts from customers	17 255.4	16 620.5
Cash paid to suppliers and employees	(15 610.4)	(15 775.3)
Cash generated from operations	1 645.0	845.2
Finance costs paid	(1 169.3)	(557.4)
Finance income received	14.6	10.7
Retirement benefits, contributions and settlements	(78.2)	(75.4)
Income tax paid	(226.0)	(169.6)
Cash flows from operations	186.1	53.5
Dividends paid	(10.1)	(0.1)
Cash generated from operating activities	176.0	53.4
Cash flows from investing activities		
Capital expenditure	(352.5)	(208.3)
Replacement	(258.2)	(192.7)
Expansion	(94.3)	(15.6)
Proceeds from disposal of property, plant, equipment and investments	235.5	43.0
Proceeds from Reserve Bank of Zimbabwe receivable	18.2	—
Decrease in other non-current financial assets	11.1	3.4
Cash utilised in investing activities	(87.7)	(161.9)
Net cash generated/(utilised) before financing activities	88.3	(108.5)
Cash flows from financing activities		
Loans raised	6 649.7	912.1
Loans repaid	(7 097.0)	(511.6)
Invoice discounting finance (repaid)/raised	(66.5)	177.9
Lease liabilities repaid	(120.8)	(125.4)
Treasury shares purchased*	(12.6)	(45.5)
Proceeds from issue of shares	1 000.0	—
Share issue expenses	(40.1)	—
Cash raised in financing activities	312.7	407.5
Net increase in cash and cash equivalents	401.0	299.0
Net cash and cash equivalents at beginning of year	1 501.6	1 111.6
Translation of cash in foreign subsidiaries	(58.7)	91.0
Net cash and cash equivalents at end of year	1 843.9	1 501.6

* Refer to footnote 2 on the consolidated statement of changes in equity.

Operational review

Metals



Bevcan is Africa's largest beverage can manufacturer, operating our facilities with state-of-the-art technology and matured operational processes and systems. We hold in excess of two-thirds of the South African market and approximately half of the Nigerian market. In Angola, we are the only producer of beverage cans, with two lines that produce aluminium cans. We have two production sites in South Africa and one each in Nigeria and Angola.

DivFood has four production facilities in South Africa, manufacturing two- and three-piece tinplate food cans, metal closures and a variety of other diversified tinplate and aluminium packaging products. In South Africa, we are the only producer of rectangular meat cans and monobloc aerosol cans. Around 60% of our sales are to the food and beverage industry. Our general metal businesses in the Rest of Africa produce a similar range of products but on a much smaller scale. The Nigerian general metal business was closed.

South Africa

Performance

Bevcan South Africa's revenue declined marginally year on year, but improved production efficiencies and overhead management across our key operations significantly boosted profitability.

Beverage can sales continued to be supported by encouraging growth in demand for 500ml cans – in which our customers package mainly alcoholic (c.55%) and energy drinks (c.45%), while sales of 440ml cans decreased notably year-on-year due to a drop in export demand and volume shift to other pack sizes. Sales volumes of can ends exported to Bevcan Nigeria were down mainly due to one of our key customers shifting more volume to our local competitor and the floating of the local currency in June 2023 negatively impacting on consumer spending. Sales volumes of can ends exported to Bevcan Angola were down year-on-year as a result of a major customer being placed on stop-supply for the last two months of the year in order to manage working capital levels. The situation was addressed with supply resuming in October 2023 and ensuring that the customer repaid amounts due.

Our key operations were affected by loadshedding and we continue to mitigate this risk through active and effective production planning and shift scheduling. Our manufacturing assets were regularly maintained throughout the year and remain in good working order ready to address any sudden uptick in customer demand. We reduced our production capacity in the face of slower demand for can ends in Nigeria and Angola.

The price of aluminium remained relatively stable for most of the year which allowed for less variability in earnings and this, together with improved customer pricing and focused cost control initiatives, contributed to Bevcan South Africa's encouraging trading performance. Employee costs were maintained at levels well below that of inflation as a result of key management interventions and staff attrition. Overtime was well managed.

Despite an increase in inventory holdings brought on by an unexpected slowdown in demand towards the latter half of the year, the net working capital position improved significantly due to the improved flow of funds out of Nigeria and favourable revision to the trading terms with one of our key local customers. The considerable improvement in cash generation from operations and subsequent release of working capital contributed positively to the cash generated for the year.

Capital expenditure was well controlled and appropriately hedged where required.

The business continues to focus on reducing its carbon footprint and continues to evaluate all available options to reduce energy and water usage across operations.

Strong demand for environmentally friendly packaging from customers and consumers continued to support sales volumes. The business continued to focus on reducing its direct carbon footprint and working with upstream partners to lessen the footprint of procurement activities.

Financial capital



Revenue

R12 915m

(2022: R12 915m)

Trading profit

R1 387m

(2022: R1 281m)

Trading margin

11.3%

(2022: R9.9%)

Human capital



Employees

2 058

(2022: 2 570)

LTIFR

0.21

(2022: 0.28)

Natural capital



Energy use

941 648GJ

(2022: 1 335 219GJ)

Scope 1 and 2 greenhouse gas emissions intensity (tCO₂e/Rm revenue)

11.13

(2022: 14.5)

Water (ML)

703

(2022: 770.1)

Scope 1 and 2 emissions (tCO₂e)

137 126

(2022: 186 779)

The per unit usage of water and energy is a key performance metric for all our production sites. The business has invested in solar capacity to support our non-manufacturing activities and continues to evaluate the feasibility of possible renewable energy projects to support our manufacturing operations; however, this has not yet proved feasible.

Trading results at **DivFood** South Africa improved but profitability was affected by the high interest costs incurred mainly as a result of higher interest rates. Demand across the food, closures and diversified business units was subdued for most of the year because of pressure on consumers' disposable income.

Improvements in operational efficiencies in the last quarter supported higher gross margins towards year-end. This was despite inventory write-downs.

Operating cash flow before working capital movements decreased in part due to inventory write-downs but significant working capital was released as most of our main customers settled their accounts within agreed terms utilising supply chain finance platforms, the use of the debtors' factoring facility and as efforts to optimise the supply chain gained traction.

Capital expenditure was contained.

DivFood retrenched staff, downsized business units and engaged with employees' unions to rebase salaries to levels that are better aligned to the market. Improving the skills and capabilities of our can- and end-makers remained a priority.

Outlook

The global economy continues to be characterised by rising interest rates, stubborn inflation and higher country risk premiums. Consequently, we expect volume demand in the short to medium term to come under pressure as consumers tighten their belts.

In mitigation, we will continue to focus on maintaining high levels of customer service and delivering superior quality products to our customers while improving on our operational efficiencies, rationalising and effectively managing our cost base in order to deliver value to our key stakeholders.

The investment in additional 500ml capacity in Springs Line 2 is well underway, with commercial production expected towards the middle of the third quarter of the 2024 financial year. This investment will afford the business the necessary capacity to continue to service our loyal and longstanding customer base adequately and will provide the required additional capacity to service the growing 500ml can market.

Bevcan expects that strong demand for environmentally friendly packaging from customers and consumers alike will continue to support sales volumes as preference for this substrate grows relative to other substrates.

We expect a recovery in demand for **DivFood's** packaging over the next year on a better macroeconomic environment and improvements in operational efficiencies. Our strategy focuses on ensuring a customer-orientated culture, improving efficiencies and rationalising products to optimise working capital, as well as plant consolidation where possible.

Rest of Africa

Performance

Nigeria

While the new government initiated the implementation of critical macroeconomic reforms, the Nigerian economy continues to face steady headwinds in the form of economic instability, low levels of investment and lethargic economic growth, with the end consumer facing increasing pressure as inflation and currency pressures escalate. During June 2023, the Central Bank of Nigeria (CBN) enforced the floating of the local currency to close the gap between the official and parallel rates in a move to lift investor confidence and improve forex liquidity.

Despite these challenges, management remained resilient and continued to focus its energy on servicing customer demand and producing quality products for distribution. Bevcan Nigeria's revenue declined sharply year-on-year due to lower sales of beverage cans and the impact of the floating of the local currency. Elasticity of demand was impacted by rising inflation linked to the higher costs of imports and a concomitant decline in demand as wage increases lagged inflation. Successful cost control initiatives carried out across the operations in mitigation of the volume loss limited the decline in trading profit for the year.

Foreign exchange losses continued to significantly inhibit our overall performance despite steps taken to mitigate losses by increasing selling prices to ensure the adequate recovery of the differential between the official and secondary market rates. To the extent possible, this boosted trading profit but operating profit was adversely impacted by unrecovered forex losses that arose based on the naira/US dollar rate at the date of settlement of the foreign creditors. Net working capital remained in line with the prior year's levels due to significant decreases in payables and inventory, with accounts receivables decreasing in proportion to the drop in revenue.

An impairment of the goodwill of R1 549 million was required at 31 March 2023 due to a significant increase in the WACC and downward revisions in expected future cash flows. No further impairments were required at 30 September 2023.

Angola

The Angolan economy continued to display signs of growth during 2023, with output in both the oil and non-oil sectors improving. The recent reforms implemented over the past few years to improve and maintain adequate levels of public sector governance continued to benefit the local economy.

Bevcan Angola's revenue increased by 7%. Excellent year-on-year volume growth was achieved for the first 10 months of the financial year, however it was adversely affected by a key customer being placed on hold for the last two months in order to manage our working capital and to ensure that outstanding amounts were recovered before more cans were supplied. Profitability during the second half of 2023 was negatively affected by the weakening of the kwanza towards the end of May 2023 due to a significant shortage in supply of foreign currency which resulted in a foreign exchange loss of R179 million being recorded for the year. This compared to a gain of R60 million in the prior year.

Management remained focused on driving cost reduction initiatives to improve overall profitability while ensuring that manufacturing assets are regularly and well maintained.

During the year, the business processed asset impairments to the value of R827 million (\$44.5 million) to align the carrying value of the assets to the business's enterprise value.

Other markets

In the first half, we decided to close our **general metal packaging** (excluding beverage cans) operations in **Nigeria** after key customers backward integrated, resulting in a loss of volumes. The weaker economy meant subdued demand for metal paint, polish and brake fluid products. In addition, the lack of US dollar availability at the official rates contributed to our decision to close the operation in July 2023. We agreed to sell the land and equipment for approximately R180 million, effective in the first half of the new financial year.

Volumes in **Kenya** for food and shoe polish cans were stable. Demand for food and diversified cans in **Zimbabwe** remained robust although raw material and electricity supply challenges impacted manufacturing activities negatively, causing sales to decrease against the previous year.

In May 2023, we announced the disposal of our property in **Tanzania** for US\$5.6 million. The proceeds, received by the end of August 2023, and are being held in escrow until all conditions precedent have been fulfilled and terms have been agreed. The proceeds will be utilised to repay interest-bearing debt.

Outlook

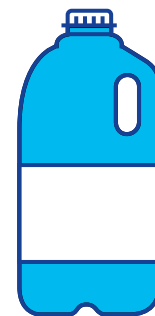
In the year ahead, **Angolan** economic activity is expected to be sluggish as oil production remains constrained, the depreciation of the kwanza keeps inflation elevated and unemployment continues to hover around 30%. However, we expect demand for our aluminium cans to increase. This, after key customers secured distribution rights for their beverages in neighbouring countries, where they have since invested in distribution hubs.

In **Nigeria**, demand is expected to decline as consumers come under increasing pressure in a challenging macroeconomic environment.

In **general metal packaging**, our operations in **Zimbabwe** are expected to sustain robust demand. Production volumes will continue to depend on the availability of electricity and foreign exchange required to procure raw materials while the operations are expected to continue self-funding.

Operational review

Plastic



Nampak has ten plastic manufacturing facilities and one liquid cartons manufacturing facility in South Africa, supplying a variety of products to customers across various industries. Our product range includes PET bottles; HDPE bottles; closures; paper-based Pure Pak® and conical gable-top cartons; drums and tubes.

Our primary product range in the Rest of Africa includes conical cartons, plastic bottles, preforms, crates and closures. We are the leading producer of rigid plastic packaging in Zimbabwe and the only manufacturer of conical cartons in Zambia.

South Africa

Performance

Subdued economic activity suppressed demand for our products. Revenue declined by 8%, with lower volumes and reduced profitability. We made progress on our strategic initiatives to reduce overhead costs; when complete, these are expected to change our cost base significantly.

Our work to optimise cash generation yielded positive results, with sharply reduced cash outflows. Working capital improved due to reduced inventory holdings. Overheads were well managed.

The market remained highly competitive. We made good progress in reducing and consolidating the number of facilities and products and closed two manufacturing facilities in the year. Our business continued to defend market share through competitive pricing, exceptional product quality and the highest service levels.

Nampak maintains superior quality through our differentiated product and service offering, made possible by a good production and human resource asset base and the sourcing of environmentally friendly raw materials. The Nampak brand and the product reliability help us maintain business relationships with a portfolio mix of blue chip and medium to small customers.

Sales volumes for most of our product substrates were depressed, as demand for consumer goods declined on the back of a drop in consumers' disposable income. We recorded lower volumes in **plastic bottles** and **crates and drums**.

Financial capital



Revenue

R2 999m

(2022: R2 953m)

Trading profit

R217m

(2022: R247m)

Trading margin

7.2%

(2022: R8.4%)

Natural capital



Energy use

442 848GJ

(2022: 350 784GJ)

Water (ML)

205

(2022: 140.1)

Human capital



Employees

1 068

(2022: 1 131)

LTIFR

0.09

(2022: 0.38)

Scope 1 and 2 greenhouse gas emissions intensity (tCO₂e/Rm revenue)

33.63

(2022: 33.2)

Scope 1 and 2 emissions (tCO₂e)

100 858

(2022: 98 008)

However, we increased volumes of Pure-Pak **cartons and volumes of tubes**. Demand for **closures** was flat.

The group undertook drastic cost reduction measures to change the cost profile. These involved retrenchments, salary reductions, a reduced manufacturing footprint as well as moratoriums on filling vacancies other than those critical for the effective functioning of the value chain. These containment efforts were not limited to employee costs but cut through all essential inputs and overheads. The retrenchment costs incurred in 2023 are expected to lead to significant overhead savings, thus enhancing the business's price competitiveness in future.

The continued erratic supply of electricity was the most significant contributor to deviations in manufacturing performance.

Power and water cuts further challenged the operations of many of our customers.

Operational cost management and waste control remained priorities in our drive for cost-effectiveness, quality and efficiency. We managed capital optimally, reducing capital expenditure and containing it to mainly replacement capex. We also managed ad-hoc raw material supply interruptions effectively to ensure our customers remained as unaffected as possible.

Acknowledging concerns around single-use plastic, we continued to participate actively in the plastic industry's environmental initiatives through our membership of PETCO and Polyco. Ensuring that our products are designed for recycling and contain an increasing percentage of post-consumer content remain key priorities together with bringing fit-for-purpose and product-appropriate packaging to the market. As we strive to reduce our environmental footprint, our efforts to lightweight our products and support manufacturing where the most effective recycling processes are in place remained key.

The unbleached board we use to produce PurePak® **cartons** for extended shelf-life milk maintained its market position, even though fresh milk continued to lose market share to long-life milk.

We continued our collaboration with Fibre Circle, a non-profit producer responsibility organisation, in an effort to reduce the impact of paper-based packaging on the natural environment.

New business acquisition and margin optimisation opportunities increased in the cartons business. However, the operations were affected by customers' distribution network challenges, low disposable incomes, and product switching to competing products such as energy drinks. Despite these challenges, cash generation and profitability improved sharply from the previous year.

We closed the **crates** business, with operations ceasing at the end of March 2023.

Drum volumes for both large and small drums declined because of suppressed demand in the local and export markets. The **tubes** business enjoyed an uptick in demand and volume as our primary customer clawed back market share.

The **closures** business benefited from new business opportunities, compensating for lower volumes caused by suppressed demand. An asset impairment of R175 million was required to take account of an increased WACC rate and downward revisions to future expected cash flows.

Outlook

With a strong base of innovation, in 2024 we will continue with our plans to improve our competitiveness in select categories of plastic packaging to reduce our cost base and grow market share. The development of our smaller-volume lightweight PET bottles continues after the successful execution of the 2 litre range. Further innovations in our drum product range will be launched shortly, building on the strong market position of this business. Exciting developments in the **liquid cartons** customer portfolio should yield a sizeable increase in volumes within the first half of 2024.

Rest of Africa

Performance

We recorded lower volumes in **beverage and conical cartons** in Zambia and **plastic bottles** in Zimbabwe. But volumes increased in **conical cartons** in Malawi and **crates** in Zambia and Zimbabwe.

The profitability in the Rest of Africa markets continued to be impacted by foreign exchange shortages and hyperinflation in Zimbabwe.

In **Zimbabwe**, we experienced incessant power cuts and a shortage of packaging material. Imports by customers to cover peak period demand decreased our sales. However, the performance of our business in **Zimbabwe** exceeded expectations and was driven by strong demand for sorghum beer returnable bottles, juice bottles, mageu bottles and closures.

Not only did the Zimbabwean group self-fund all its operational and capital requirements, re-investing cash generated into raw material, operations and equipment, but the business also commenced the payment of dividends in 2023 with Nampak receiving R11 million.

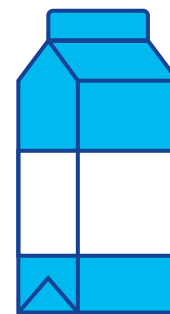
In **Zambia**, the crates business performed well on strong demand from our customers, supported by further capacity growth at our production facility in Ndola.

Outlook

Despite **Zimbabwe's** economic woes, the business goes from strength to strength, supporting a broad range of customers. Should economic conditions improve, the business's experienced and stable management team and good production capabilities will support a more substantial financial contribution to the group in the years ahead. These businesses remain self-funding.

Operational review

Paper



In the **Rest of Africa**, Nampak supplies paper packaging to various sectors, including the sorghum beer, tobacco, general commercial and milling industries. In most of these markets, we are the primary producer. Our extensive product range includes beverage cartons, sacks, corrugated tobacco cases, boxes and self-opening bags.

Rest of Africa

Performance

The Paper business performed well driven by volume growth across categories. Although the **Zimbabwe** operation continued to perform well, its profitability was adversely impacted by the sharp decline in the value of the local currency. Hyperinflation remained a feature.

In **Zambia**, demand for conical cartons remained constrained due to a major producer encouraging the uptake of returnable plastic bottles and independent producers continuing to drive sales of beer in bulk containers. Our engagements with the government around the enforcement of the ban on bulk beer and the promotion of packed sorghum beer gained momentum. Zambian conical carton exports to **Malawi** were strong but we continued to manage these cautiously amid constraints on the availability of foreign exchange in Malawi.

In **Zimbabwe**, the easing of raw material constraints encountered in 2022 supported the strong performance of corrugated cartons in 2023. However, the lack of demand for self-opening bags and increased competition led to a weak performance of this business.

In **Zambia**, demand for self-opening bags was suppressed because of production issues at a major customer and the effects of a carryover season from the prior year.



We stopped our self-opening bags manufacturing operations in **Kenya** in October 2022 and continued to pursue the sale of equipment.

Outlook

In **Zambia**, we are confident that demand for conical cartons, drums and crates will pick up as the economy grows on an expected increase in foreign direct investment. In addition, we are encouraged by the government's positive response to support packed sorghum beer sales.

In **Malawi**, we expect conical cartons for sorghum beer to regain pack share of the market, building on collaboration initiatives with our primary customer. Availability of in-country US dollars is expected to remain tight.

We continue to assess the financial viability of our remaining East African businesses.

Financial capital Revenue R1 069m (2022: R1 069m)	 Human capital Employees 452 (2022: 476)
Trading profit R250m (2022: R183m)	LTIFR 0.13 (2022: 0.15)
Trading margin 18.3% (2022: R17.1%)	
Natural capital Energy use 89 779GJ (2022: 80 058GJ)	 Scope 1 and 2 greenhouse gas emissions intensity (tCO _{2e} /Rm revenue) 9.96 (2022: 11.3)
Water (ML) 28 (2022: 19.1)	Scope 1 and 2 emissions (tCO_{2e}) 13 607 (2022: 12 089)

Our board of directors



Peter Surgey (69)
Chairman

Qualifications: BA LLB
Appointment date: 29 July 2009

Mr Surgey was managing director of Plascon and chief executive officer of Barloworld Coatings from 1992 to 2003. From 1995 to 2008 he was a director of Barloworld Ltd. He has previously been a director of Control Instruments (Pty) Ltd and NCS Resins (Pty) Ltd, where he also served on the remuneration and audit committees. He served as a trustee for 14 years on The President's Award – The Duke of Edinburgh's International Award. He is currently chairman of Eazi Access Rentals (Pty) Ltd and Autozone Investments (Pty) Ltd (both Ethos Fund V1 Companies).

Experience and expertise:

Strategic leadership; Sales, marketing and customer perspectives; Manufacturing, production and commodities; Economic, finance and corporate structuring; People management, reward and remuneration; Entrepreneurship; Governance in a complex corporate environment and international experience, including rest of Africa.



Phil Roux (58)
Chief Executive Officer

Qualifications: B Comm (Hons); MBA
Appointment dates: 15 March 2023 (independent non-executive director)
20 April 2023 (interim CEO) 13 August 2023 (CEO)

Mr Roux has 32 years' experience in the FMCG sector having held numerous executive positions inclusive of CEO, executive and non-executive director. Mr. Roux previously held board positions as an executive and/or non-executive director at Pioneer Foods (CEO), Tiger Brands, Oceana, Sea Harvest, Dairybelle, Langeberg and Ashton Foods. As the CEO of Adcorp Limited, he was instrumental in the turnaround of the organisation.

Experience and expertise:

Strategic leadership; Manufacturing, production and commodities; Risk and information technology management; Economic finance and corporate structuring; Legal, regulatory and JSE requirements; People management, reward and remuneration; Entrepreneurship; Governance in a complex corporate environment and International experience, including rest of Africa.



Glenn Fullerton (56)
Chief Financial Officer

Qualifications: B Compt; B Compt (Hons); CTA; CA(SA)
Appointment date: 1 September 2015

Mr Fullerton commenced his career at Deloitte where he completed his articles in 1992. He held numerous senior finance positions in various JSE listed groups, at Hunt Leuhards & Hepburn and Computicket, before joining the Malbak group in 1995, where he was a key member of the team responsible for the group's unbundling in 1997. Post the unbundling he held the position of Finance Director of two of the divisions in Malbak's remaining listed packaging group, Kohler Packaging Limited, until 2000. Mr Fullerton then joined MB Technologies Group as Chief Financial Officer which grew into Africa's largest IT distribution business and in 2009, became chief executive officer until October 2013 when he left on a sabbatical due to a cycling injury. He became Chief Financial Officer of Nampak in September 2015.

Experience and expertise:

Strategic leadership; Manufacturing, production and commodities; Risk and information technology management; Economic finance and corporate structuring; Legal, regulatory and JSE requirements; People management, reward and remuneration; Entrepreneurship; Governance in a complex corporate environment and International experience, including rest of Africa.



Nooraya Khan (54)
Independent Non-executive Director

Qualifications: B Comm; B Compt (Hons); CA(SA)
Appointment date: 1 August 2020

Ms Khan is an experienced non-executive director with a demonstrated history of working in the investment banking industry. Skilled in private equity, financial structuring, risk management, project finance and venture capital. She is a qualified chartered accountant and participated in the International Directors Programme at Insead in France. Ms Khan currently serves as a non-executive director, chair of the Risk Committee and member of the Audit Committee, Directors Affairs Committee, GIRC and Remuneration Committee of Liberty Holdings Limited. She also serves as a non-executive director and member of MTN (South) Africa (Pty) Ltd and MTN Cameroon Limited.

Experience and expertise:

Strategic leadership; risk and information technology management; economic, finance and corporate structuring; legal, regulatory and JSE requirements; people management, reward and remuneration and governance in a complex corporate environment.

Committee membership is as follows:

- A Audit and Risk Committee
- N Nominations and Remuneration Committee
- S Social, Ethics and Transformation Committee
- Chairman of the Committee



Zukie Siyotula (39)
Independent Non-executive Director

Qualifications: CA(SA); ACMA; BAcc
Appointment date: 1 October 2023

Ms Siyotula's diverse professional experience ranges from general management, finance, corporate governance, strategy, restructuring, business development, through to sales and distribution. Ms Siyotula currently serves as a non-executive director on various boards in the listed, unlisted, and public sectors, namely York Timber Holdings Limited, Toyota Financial Services (South Africa) Limited, African Bank Limited, Airports Company South Africa SOC Limited and Ogilvy South Africa Holdings (Pty) Ltd.

Experience and expertise:

Strategic leadership; Sales, marketing and customer perspectives; Manufacturing, production and commodities; Risk and information technology management; Economic finance and corporate structuring; Legal, regulatory and JSE requirements; People management, reward and remuneration; Socio-economic development and sustainability; Entrepreneurship; Governance in a complex corporate environment and International experience, including rest of Africa.



Pitsi Mnisi (40)
Independent Non-executive Director

Qualifications: MBA; Advanced Certificate in Markets and Country Risks Analysis; CA(SA); B Comm (Hons) Tax; B Comm (Acc); B Comm (Hons) Acc
Appointment date: 1 October 2023

Ms Mnisi is a qualified Chartered Accountant (SA) with experience across mining, investments, supply chain and logistics, transportation, manufacturing and construction. Her qualifications include the following degrees: B Comm, B Comm (Hons) Acc, B Comm (Hons) Tax, CA(SA), Advanced Certificate in Emerging Markets and Country Risk Analysis (Fordham University, New York) and an MBA from the Heriot-Watt University (Edinburgh, United Kingdom). She is a founder and managing director of a consulting and corporate finance advisory business, Lynshpin Cedar, as well as co-founder and an executive director of an investment holding business, MCorp Investments. She is currently a non-executive director of African Rainbow Minerals Limited, Super Group Limited and Methodist Homes for the Aged NPO.

Experience and expertise:

Strategic leadership; Manufacturing, production and commodities; Risk and information technology management; Economic finances and corporate structuring; Legal, regulatory and JSE requirements; People management, reward and remuneration; Socio-economic development and sustainability; Entrepreneurship; and Governance in a complex corporate environment.



Kholeka Mzondeki (56)
Independent Non-executive Director

Qualifications: FCCA – UK, B Comm; Dip Investment Management
Appointment date: 1 September 2019

Ms Mzondeki currently leads a portfolio career, sitting on several JSE listed company boards as an independent non-executive director. She is an internationally (United Kingdom) qualified Chartered Accountant and has extensive experience in senior finance executive roles of Financial Director and Chief Financial Officer. She has fulfilled FD and CFO roles at 3M and previously sat on the Audit Committee of the United Nations World Food Programme. Her previous experience includes Reunert, Telkom, Balwin Properties amongst others.

Experience and expertise:

Strategic leadership; Sales, marketing and customer perspectives; Manufacturing, production and commodities; Risk and information technology management; Economic finances and corporate structuring; Legal, regulatory and JSE requirements; People management, reward and remuneration; Socio-economic development and sustainability; Entrepreneurship; Governance in a complex corporate environment; and International experience, including rest of Africa.



Clifford Raphiri (60)
Independent Non-executive Director

Qualifications: PGDip Mechanical Engineering; BSc (Hons) Mechanical Engineering; MBA
Appointment date: 1 March 2019

Mr Raphiri is a senior executive with deep proven, operational and strategic experience gained as a director of a listed blue-chip company for many years. He was the Manufacturing and Technical Director of South African Breweries and served as chairman of Adcock Ingram Holdings. He also serves as a non-executive director of Murray & Roberts Holdings, Energy Partners Holdings and Growthpoint Properties Limited.

Experience and expertise:

Strategic leadership; Manufacturing, production and commodities; Risk and information technology management; Economic, finance and corporate structuring; Legal, regulatory and JSE requirements; People management, reward and remuneration; Socioeconomic development and sustainability; Governance in a complex corporate environment.

Our board of directors continued

Committee membership is as follows:

A	Audit and Risk Committee
N	Nominations and Remuneration Committee
S	Social, Ethics and Transformation Committee
□	Chairman of the Committee



Simon Ridley (67)
Independent Non-executive Director

Qualifications: B Comm; Dip Acc (postgraduate); CA(SA)
Appointment date: 1 March 2019

Mr Ridley was the Group Financial Director of Standard Bank Group until his retirement in 2016. He currently serves on a number of boards including as non-executive director and chairman of Standard Advisory London Limited, Standard Bank London Holdings Limited and non-executive director of Stanbic IBTC Bank PLC (Nigeria), Liberty Holdings Limited and Liberty Group Limited.

Experience and expertise:

Strategic leadership; Risk and information technology management; Economic finance and corporate structuring; Legal, regulatory and JSE requirements; People management, reward and remuneration; Socio-economic development and sustainability; Governance in a complex corporate environment and International experience, including rest of Africa.



Tjaart Kruger (63)
Independent Non-executive Director

Qualifications: B Comm (Hons); CA(SA); PMD
Appointment date: 15 March 2023

Mr Kruger is a CA(SA) with a PMD from Harvard Business School. He has gained extensive and leadership experience at leading organisations including Country Bird (Pty) Ltd, Tiger Brands Limited, Afrox Limited and Premier FMCG (Pty) Ltd where he fulfilled the role of Chief Executive Officer. Mr Kruger currently serves as a non-executive director of First Food Brands Group (Pty) Ltd.

Experience and expertise:

Strategic leadership; Sales, marketing and customer perspectives; Manufacturing, production and commodities; Risk and information technology management; Economic finance and corporate structuring; Legal, regulatory and JSE requirements; People management, reward and remuneration; Socio-economic development and sustainability; Entrepreneurship; Governance in a complex corporate environment and International experience, including rest of Africa.

(Resigned effective 25 October 2023)



Andre van der Veen (52)
Independent Non-executive Director

Qualifications: B Comm; B Comm (Hons); CIMA; CA(SA);
CFA Charterholder
Appointment date: 15 March 2023

Mr van der Veen is a CA(SA), CGMA and CFA charter holder. He has served as a director of numerous listed companies and was the CEO of Johnnic Holdings Limited, KWV Holdings Limited, Niveus Investments Limited and eMedia Holdings Limited, the parent company of ETV. As a partner at A2 Investment Partners (Pty) Ltd ("A2 Investment Partners"), Mr Van der Veen has invested in and been appointed as Executive Chairman of Novus Holdings Limited and a director of York Timber Holdings Limited. He is also the Chairman of Alphawave Holdings, a specialised technology holding company.

Experience and expertise:

Strategic leadership; Sales, marketing and customer perspectives; Manufacturing, production and commodities; Risk and information technology management; Economic finance and corporate structuring; Legal, regulatory and JSE requirements; People management, reward and remuneration; Socio-economic development and sustainability; Entrepreneurship; Governance in a complex corporate environment and International experience, including rest of Africa.

Our group executive committee



Phil Roux (58)
Chief Executive Officer

Qualifications: B Comm; B Comm (Hons); MBA



Glenn Fullerton (56)
Chief Financial Officer

Qualifications: B Compt; B Compt (Hons); CTA; CA(SA)



Porth Matsiri Mosidi (55)
Group Executive: Human Capital

Qualifications: BAdmin; BMgt; MBA



Omeshnee Pillay (41)
Group Executive: Legal and Secretarial

Qualifications: LLB; LLM

Preserving good corporate governance in a changing organisation

Nampak's board of directors continues to guide the company during these challenging times through ethical leadership and effective control, based on accountability and its commitment to good governance.

2023 was another challenging year adversely impacted by macroeconomic factors in the geographies in which the group operates. Significant forex losses, impairments and materially higher net interest costs resulted in a reduction in shareholders' equity.

The refinancing of maturing debt facilities and the bolstering of the group's equity base through a successful rights issue were the key priorities of the board during the year. The rights issue proceeds were used to repay debt.

2023 was a year of considerable intervention. In addition to the refinancing and rights issue the board reviewed and approved a comprehensive turnaround plan, including management changes, a business model review and the adoption of a new strategy focused on our core Metals business. By disposing of non-core assets at acceptable valuations in line with the defined asset disposal plan over the ensuing 18 months and by reducing leverage, the group will become a more focused, better capitalised and more profitable business. The board reviewed and approved this plan.

The board attended to its regular responsibilities as set out in the board charter and approved the new strategy inclusive of the following key strategic initiatives:



Higher WACC rates applicable to the group's Angolan and Nigerian assets contributed to further material impairments. In-country dollar shortages due to a dysfunctional currency market in Nigeria created dollar illiquidity and forex losses. Governments have attempted to curtail rising inflation through significant increases in interest rates. Higher central bank interest rates coupled with the higher rates and related costs associated with the refinancing of the group resulted in higher interest costs. Consumer demand has come under pressure with concomitant impacts on the group's results.

The group complied with its covenants during the year.

We continue to identify buyers for the assets included in the asset disposal plan so as to simplify our portfolio and reduce net debt.

You will find more details regarding our focus areas and the material issues and risks informing and affecting these areas throughout the integrated report.



The board charter which outlines board responsibilities, is reviewed annually by the board to ensure it remains relevant and aligned with the Companies Act and other relevant regulatory requirements, King IV™ and governance best practices. The charter is available on our website: www.nampak.com

Nampak conducts its business ethically and in compliance with all applicable laws and regulations thereby ensuring an appropriate balance between strategy, risk, performance and long-term sustainability.

Ensuring compliance and high standards of corporate governance and ethics

Nampak, as the group's parent holding company, is involved in the decision-making of its subsidiaries on all material issues. A delegation of authority and reserved matters framework is consistently applied throughout the group to ensure that all entities adhere to appropriate minimum corporate governance standards and mandatory group requirements.

Our compliance programme is aimed at ensuring that Nampak conducts its business strictly within the confines of the law and assists in the detection of contraventions of laws, regulations and company policy, so as to enable the company to address transgressions immediately.

Environmental, social and governance considerations, safety, privacy and competition laws, together with fraud and corruption management, are key sustainability and compliance areas and receive the necessary attention on an ongoing basis. We provide training in these areas as required.

Our code of conduct and business ethics sets the minimum standards expected of all directors and employees. Training on fraud awareness, ethics and associated policies was provided to all employees during the course of this year.

Allegations of contraventions are reportable through "Tip-Offs Anonymous", which is independently administered by Deloitte and Touche and is accessible 24 hours a day, seven days a week.

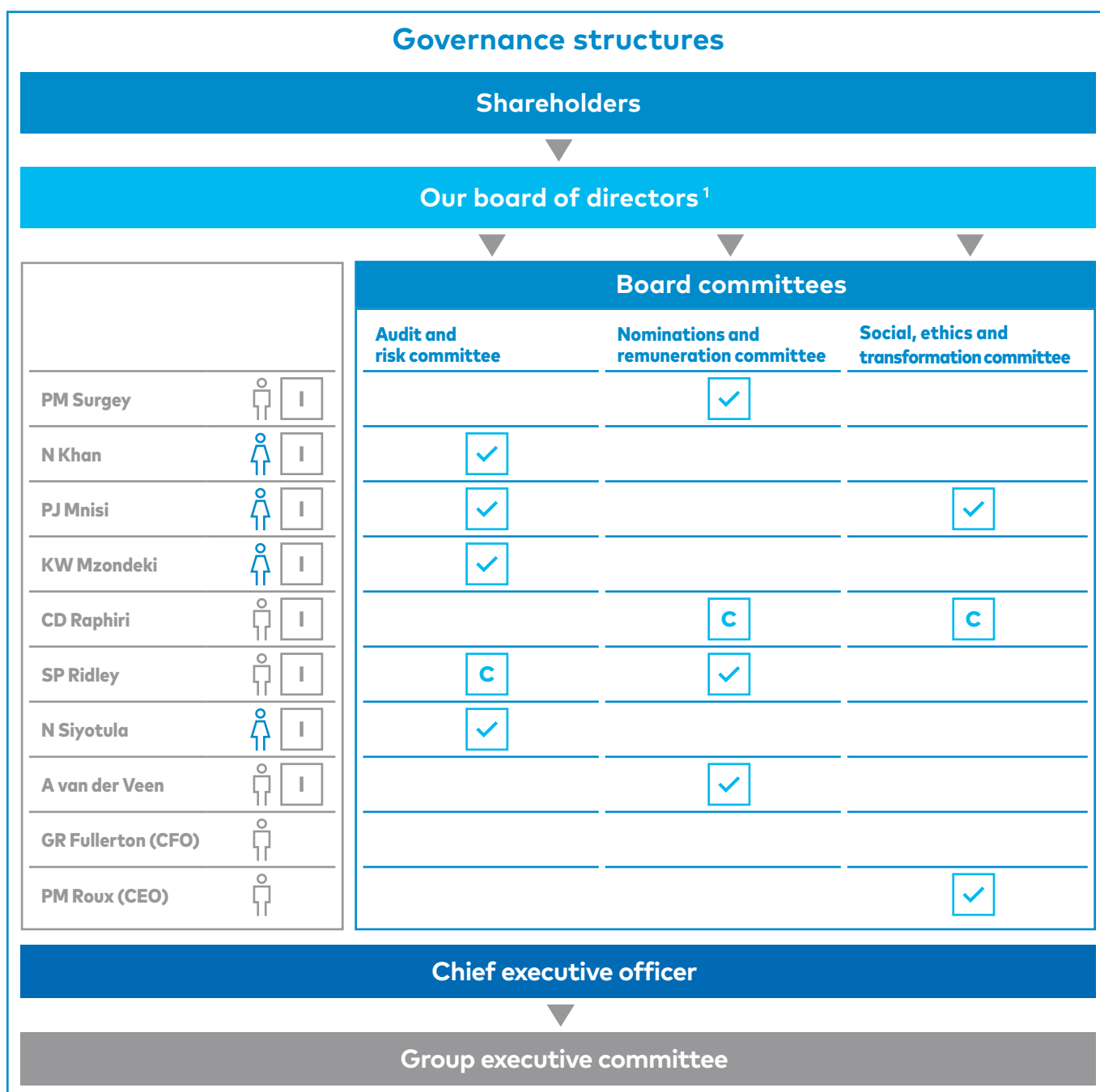
In the year under review, there were no material infringements of any laws or regulations, nor were any material penalties or fines imposed on the company or its directors for contraventions of any laws or regulations.

We are satisfied that Nampak has complied with the JSE Listings Requirements, including section 3.84(k) and applied all the principles of the King IV™ Report on Corporate Governance for South Africa 2016 (King IV™).



A statement on Nampak's application of the principles of King IV™ is available on www.nampak.com

Preserving good corporate governance in a changing organisation continued



Key

	Male director		Female director
I	Independent non-executive director		
C	Committee chair		

¹ Nampak's Memorandum of Incorporation provides that the minimum number of directors shall be six and not less than such number as the board may determine from time to time. One-third of non-executive directors must retire at every annual general meeting and are eligible for re-election.

A total of thirteen board meetings were held during the year, including seven special meetings. Director attendance at all meetings was satisfactory but, in some instances, directors were unable to attend special meetings due to prior commitments. In addition, ad hoc informal board sessions were held to consider technical aspects of the rights issue and the refinancing of the group.

Board meeting	Scheduled	Special
10 October 2022	✓	
2 December 2022	✓	
25 January 2023		✓
30 January 2023		✓
13 February 2023		✓
15 February 2023	✓	
22 March 2023		✓
30 March 2023		✓
23 May 2023	✓	
11 July 2023	✓	
21 August 2023		✓
30 August 2023		✓
14 September 2023	✓	

The CEO attends meetings of the audit and risk committee and of the nominations and remuneration committee by invitation.

He is requested to leave the latter meeting, where appropriate, before discussions are held and decisions made which relate to his performance and/or personal financial interests.

There were a number of changes to board and committee composition during the year pursuant to the organisational turnaround:

16 March 2023:

- › Appointment of Tjaart Kruger as an independent non-executive director and member of the audit and risk committee.
- › Appointment of Phil Roux as an independent non-executive director and member of the nominations and remuneration committee.
- › Appointment of André van der Veen as a non-executive director.

20 April 2023:

- › Resignation of Erik Smuts as chief executive officer.
- › Appointment of Phil Roux as interim chief executive officer (and termination of his membership on the nominations and remuneration committee).
- › Appointment of Tjaart Kruger as a member of the nominations and remuneration committee.

23 May 2023:

- › Resignation of Lesego Sennelo as an independent non-executive director (and member of the social, ethics and transformation committee).

13 August 2023:

- › Appointment of Phil Roux as chief executive officer on a permanent basis.

14 September 2023:

- › Appointment of André van der Veen as a member of the nominations and remuneration committee.

1 October 2023:

- › Appointment of Pitsi Mnisi as an independent non-executive director, member of the audit and risk committee and member of the social, ethics and transformation committee.
- › Appointment of Zukie Siyotula as an independent non-executive director and member of the audit and risk committee.

25 October 2023:

- › Resignation of Tjaart Kruger as an independent non-executive director (and member of the audit and risk committee and member of the nominations and remuneration committee) given his appointment as chief executive officer of a major customer of the group.

For the biographical details of directors, refer to pages 58 to 60 in the integrated report.

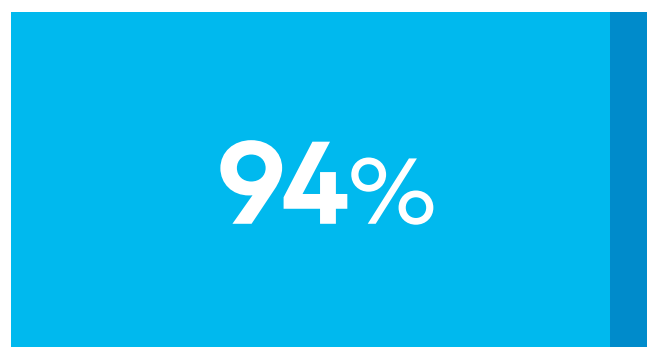


The roles and functions of the chairman and the CEO are described in the board charter available on our website at www.nampak.com.

Preserving good corporate governance in a changing organisation continued

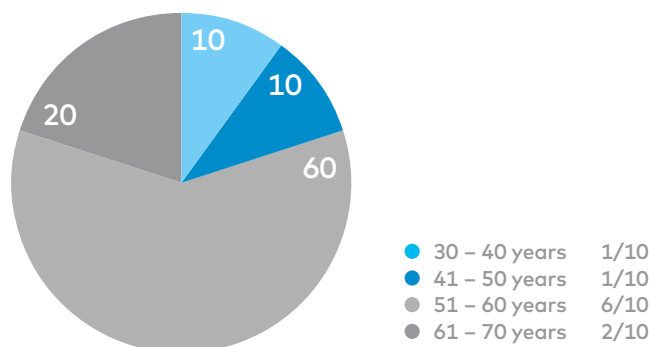
Board attendance

2023 (%)



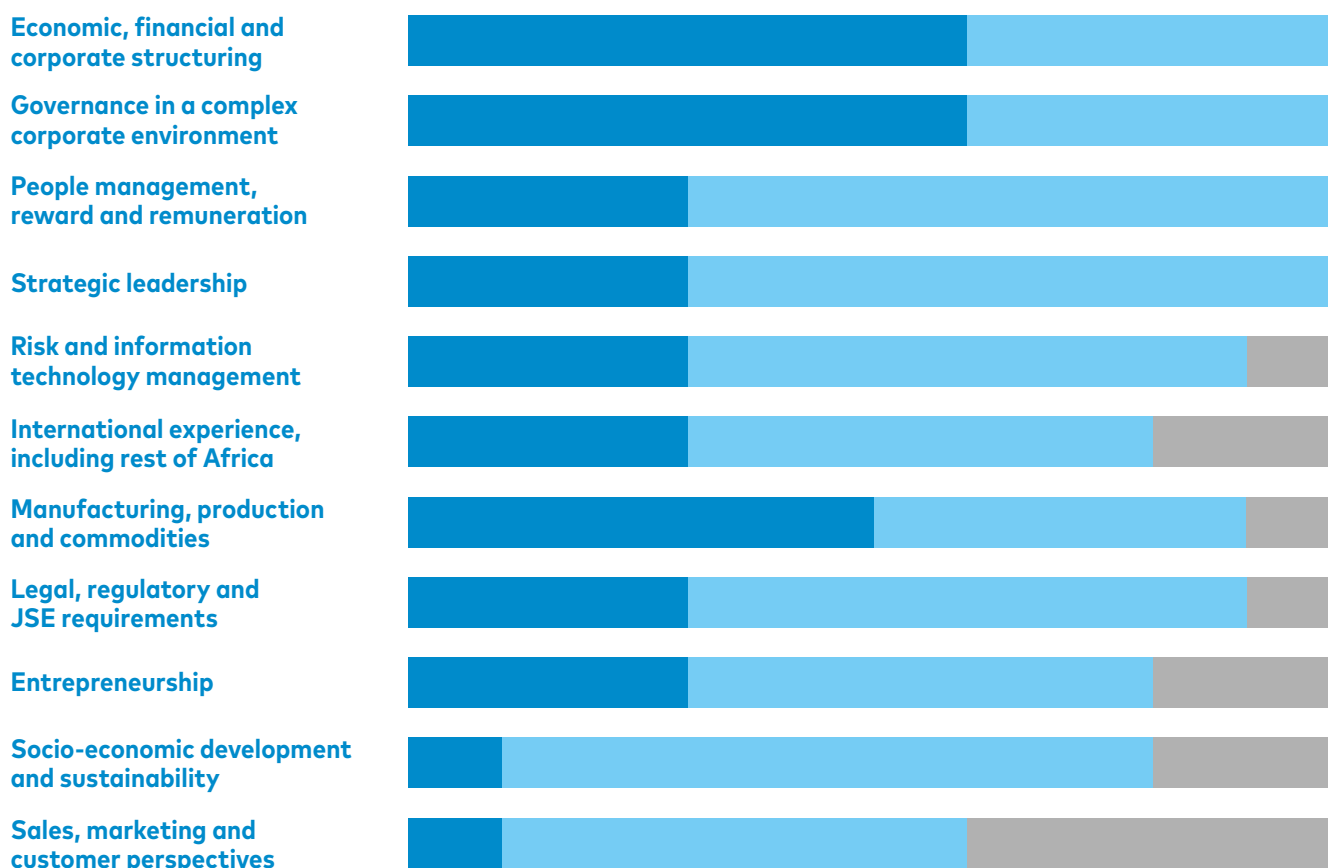
Age of directors

2023 (%)



Our board comprises diverse skills and experience

Skills are reflected as core¹, significant², or basic³



- Core** skills are skills of an expert nature acquired by a director through many years of application.
- Significant** skills are those in which a director has been formally trained or has an extensive working knowledge of the skills set.
- A **basic** skill denotes an elementary understanding or skills set.

Board culture with a strong commercial perspective

Strong values, ethics and integrity

Meaningful discussions/critical questioning

Foster unity and commitment

Risk-based approach

Open and frank communication with management

No dominant personalities

Board level diversity results in broad-based inclusive views and relevant debates which support long-term sustainability.

Policy on the promotion of broader diversity

Diversity of race, gender, culture and age, as well as fields of knowledge, relevant skills and experience underpin a balanced and effective board and contribute towards a sustainable and competitive advantage. It is board policy to promote broader diversity at board level with all facets of diversity considered in determining the optimal composition of the board. All board appointments are made on merit, having due regard for the positive impacts of diversity on the effectiveness of the board as a whole.

Tenure, independence and succession

The independence of directors and their other commitments are considered when they are first appointed, annually, or when their circumstances change. This is done to determine whether a director has sufficient time to discharge his or her duties effectively and is free from conflicts that cannot be managed satisfactorily.

The board, duly assisted by the nominations and remuneration committee:

- › is of the view that all directors, save for the executive directors, are independent and that no non-executive director is over-committed.
- › has reconfirmed the independence of Mr Surgey, who has been in office for more than nine years. His experience, knowledge, independent judgement and open-minded inclusivity continue to benefit the board and company.

The board has not appointed a lead independent director. The chairman of the nominations and remuneration committee, or any other independent non-executive director nominated by the board, will lead discussions in circumstances where the chairman of the board is conflicted, unavailable or unable to act.

Board composition

Gender diversity (% female)

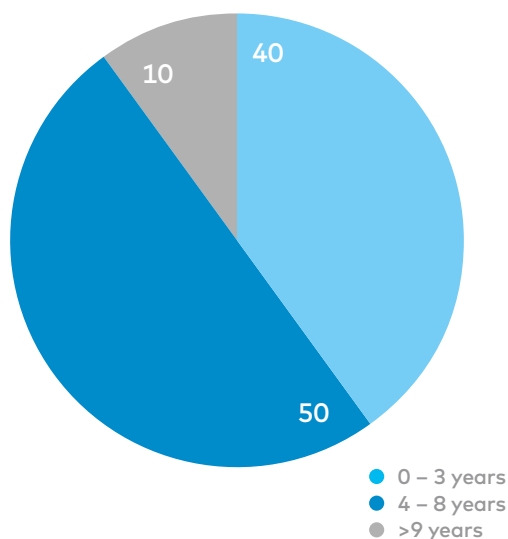


Race diversity

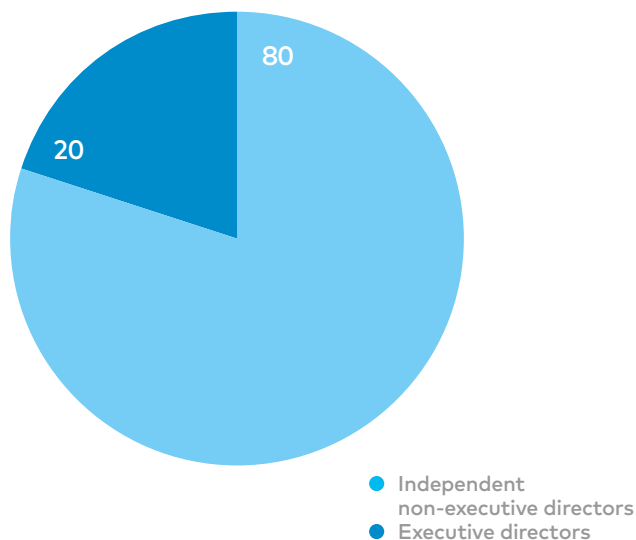
(% historically disadvantaged individuals)



Tenure (%)



Independence (%)



Preserving good corporate governance in a changing organisation continued

Board committees

Board committees provide valuable support to the board by providing meaningful oversight and leadership in their areas of responsibility — they report to the board through their respective chairmen.

Audit and risk committee	Nominations and remuneration committee	Social, ethics and transformation committee
<p>Mandate</p> <p>A statutory committee constituted in terms of the Companies Act and oversees:</p> <ul style="list-style-type: none"> › The quality and integrity of Nampak's integrated and financial reporting. › The qualification, independence and effectiveness of the internal and external audit functions. › The adequacy and effectiveness of internal controls, risk management, information technology and governance. 	<p>Mandate</p> <p>Ensures that the group remunerates its directors and employees fairly, responsibly and transparently.</p> <p>Assists with the composition of the board and its committees, succession planning and the appointment of directors.</p> <p>Manages the performance evaluation of the board, the board committees and directors.</p>	<p>Mandate</p> <p>Performs the role of a social and ethics committee as required in terms of the Companies Act.</p> <p>Assists with ensuring that the appropriate strategies, policies and processes are in place in order to drive, continued improvements in sustainability, and transformation and maintain the ethical culture within the group.</p>
<p>Key matters dealt with in 2023 and focus areas for 2024</p> <ul style="list-style-type: none"> › Ensuring effective and transparent financial reporting. › Financial management, key audit matters and significant areas of judgement — the committee continues to review and set materiality levels and ensure that financial systems, processes and controls operate effectively. › Financial performance, specifically considering the impact of supply chain disruptions, foreign exchange losses and currency volatility on the business and the impact of rising WACC rates on impairments. › Balance sheet and liquidity management. › Combined assurance, internal control and risk management — oversee the further refinement of the co-ordination, integration and alignment of assurance activities. 	<p>Key matters dealt with in 2023 and focus areas for 2024</p> <ul style="list-style-type: none"> › Ensuring fair, responsible and effective reward practices aligned with industry benchmarking and remuneration policy — continue to engage with our shareholders on our remuneration policy and implementation report and ensuring the appropriateness of our reward practices. › Reviewing short-term and long-term incentive plan targets and design principles to ensure effective applicability. › Composition, attraction, retention and succession practices at board and executive level remain key focus areas. 	<p>Key matters dealt with in 2023 and focus areas for 2024</p> <ul style="list-style-type: none"> › Continued focus on transformation — with an emphasis on recruitment and skills development. Nampak's level 2 B-BBEE contributor status was maintained during the year. › Ensuring processes are in place to promote an ethical, fair and caring culture. › Evolving the group's sustainability policy taking into account long-term decarbonisation strategies › Strengthening the group's environmental, social and governance structures. › Promoting the health and safety of employees across the various business operations.
<p>5 meetings (86.4% attendance)</p>	<p>10 meetings (91.7% attendance)</p>	<p>2 meetings (100% attendance)</p>
<p>Refer to the AFS for the audit and risk committee report</p>	<p>Refer to the remuneration report on pages 72 to 86 for details of directors' remuneration and other relevant remuneration information</p>	<p>Refer to page 70 for the social, ethics and transformation committee report</p>

Mandates and focus areas of our board committees

The board reviews and approves the board committee charters annually. In executing their responsibilities, the committees place reliance on the work and reports of management, advisors or other board committees.

The mandates and focus areas of the board committees are set out on page 68.

The board is satisfied that it comprises an appropriate combination of executive and non-executive directors with a balance of skills, experience and independence to conduct the business of the company in a professional and effective manner and to bring independent, informed and effective judgement to bear on material decisions and that it properly fulfilled all its duties and obligations in the 2023 financial year.

The development of industry and group knowledge is a continuous process and directors are briefed on new developments and changes in Nampak's business environment on an ongoing basis. Training is provided to individual directors on request. Directors are entitled to obtain independent professional advice, at Nampak's expense, and enjoy unfettered access to group records and company employees, in order to discharge their duties.

The company has a formal induction programme, which includes the opportunity for new directors to visit key operations.

Performance

The board is assessed formally every two years. Every other year opportunity is provided for discussion and reflection of the performance of the board as a whole, including the performance of its committees as well as that of the chairman.

The evaluation of the performance and effectiveness of the board, its committees, individual directors and the chairman was reflected upon during the financial year and it was concluded that it and its committees generally function effectively and professionally and that the chairman leads the board in an effective and appropriate manner.

Formal assessments are scheduled to take place again in 2024. The Board will continue to focus on directing the company through the turnaround process with its knowledge, expertise and experience.

The company secretary

The effective functioning of the board is facilitated and supported by the company secretariat.

Nampak's company secretary is Ms O Pillay, who was appointed with effect from 14 September 2023, in accordance with the Companies Act, No. 71 of 2008. Ms O Pillay is a member of the group executive committee and reports to the board.

She reports operationally to the CEO and is not a director.

Having considered the competence, qualifications and experience of the company secretary, the board is satisfied that she is competent and has the appropriate qualifications and experience to serve as the company secretary.

The board considered the interactions between the company secretary and the board and is satisfied that there is an arm's length relationship between the board and the company secretary.



For more details on the responsibilities, powers, policies, and processes of the board, directors, the group executives, the company secretary and other officials, refer to the board charter as well as the memorandum of incorporation of the company on our website: www.nampak.com.

Social, ethics and transformation committee report for the year ended 30 September 2023

I am pleased to present the social and ethics report on behalf of the social, ethics and transformation committee. I confirm that the committee discharged all its responsibilities and carried out all the functions assigned to it in terms of regulation 43 of the Companies Act and as contained in the committee's charter.

Reporting framework

We considered and are satisfied with the progress in monitoring Nampak's compliance with its code of conduct and business ethics, the 10 principles of the United Nations Global Compact. The committee also considered the local legislative and regulatory framework and is satisfied that there was compliance in all respects. The committee is pleased to report that there were no reportable offences during the year.

Composition of the committee

The committee is chaired by Clifford Raphiri and attended by Lesego Sennelo and Pitsi Mnisi, all of whom are non-executive directors as well as the chief executive officer of the company and other experienced management. Attendance at the meetings is dealt with in the corporate governance report.

Responsibilities

Nampak acknowledges and appreciates its responsibilities toward society. In executing its social and ethics responsibilities in 2023, the committee reviewed and monitored Nampak's activities relating to social and economic development, the environment, the health and safety of our employees and consumer relationships, having regard to human rights, relevant legislation and prevailing best practice. Matters we specifically focused on during the year included:

- › transformation;
- › corporate social investment (CSI);
- › enterprise and supplier development;
- › social and ethics;
- › sustainability and environment;
- › health and safety; and
- › consumer and customer relationships

The charter which was revised in 2022 includes policy setting and reporting on the triple context as well as on the six capitals to ensure long-term sustainability and value for stakeholders.

Report on focus areas

Transformation

Nampak remains committed to creating a fully transformed organisation. The committee monitors the company's performance against its broad-based black economic empowerment (B-BBEE) targets in each category on the scorecard. Nampak achieved level 2 contributor status in 2023, a level it has maintained since 2019.

Employment equity remains a key focus area and the table at the bottom of the page shows the percentage achievement against targets in 2023 as well as the targets for 2025.

The company is in the process of defining new targets for the next three years. Despite the board restructuring which resulted in changes in the employment equity status, Nampak improved this position through the appointment of Mses Nonzukiso Siyotula and Pitsi Mnisi as non-executive directors with effect from 1 October 2023. A revision of the group executive committee resulted in an improvement in the percentage of black females at this level.

%	Black				Black female			
	2025 target	2023 target	2023 actual	2022 actual	2025 target	2023 target	2023 actual	2022 actual
Non-executive directors	67	60	43	67	50	50	29	50
Executive directors	33	0	0	0	33	33	0	0
Group executives	0	0	50	0	0	0	25	0
Senior management	45	46	38	40	6	12	12	10
Middle management	53	54	60	55	16	24	31	28
Junior management	76	75	77	76	22	28	27	27
Semi-skilled			95	94			18	17
Unskilled			100	99			36	33

Higher targets, indicative of the commitment to transformation within Nampak, have been set for 2025.

A structured process to accelerate transformation in the group's senior management structures is underway with a focus on the recruitment and development of black, and particularly black female, management talent.

Corporate social investment

Due to the pressure on profits, CSI expenditure has had to be curtailed in recent years. During the past year we supported a home that cares for children and continued to support six hospices in areas where our employees live. We also rented photocopiers for use by the schools which we previously partnered. The amount contributed in 2023 was R1.0m.

In addition to the CSI contribution Nampak also provided temporary employment to 158 people in 2023 as part of its ongoing commitment to the YES4Youth initiative. Nampak's contribution to this initiative amounted to R5.7 million in 2023 bringing its total investment in this programme since inception to more than R32 million.

Enterprise and supplier development

Enterprise development is necessary in enabling small and medium size businesses to play a meaningful role in the economy. The group enterprise and supplier development programme provided enterprise and supplier development support and guidance to a number of black owned suppliers aligned to its overall supplier diversity and inclusion strategy. Nampak supported several small businesses.

The environment

As one of the foremost packaging companies in Africa, Nampak has a key role in protecting our environment. Some of our initiatives include:

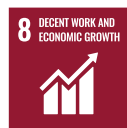
- › proactive management of emissions in terms of applicable carbon tax legislation;
- › participation in standards certification and audit programmes;
- › recycling initiatives;
- › water management; and
- › hazardous waste management protocols

Nampak participates in several industry bodies which promote recycling and sustainability. Nampak actively works with its customers to assist in reducing the negative impact of a number of products on the environment.

Refer to the full sustainability report on our website, www.nampak.com, for more details of activities with an impact on the environment, which were considered by the social, ethics and transformation committee.

Ethics

The committee has oversight of employment relationships, organised labour and decent work and working conditions in accordance with applicable legislation and ILO Conventions.



Nampak is committed to promoting equal opportunities and fair employment practices across its business.

Our code of conduct and business ethics forms the basis of ethical behaviour in the group as it sets the minimum standards expected of all directors, employees, regardless of the country in which they are employed, and suppliers. These individuals are obligated under the code to act with honesty and integrity and to maintain the highest ethical standards. Tip-Offs Anonymous, which is independently administered, by Deloitte & Touche, allows complainants to confidentially report any violations of Nampak's policies and procedures. The committee exercises ongoing oversight over the management of the response to calls received.

The table below provides details of reports received from Tip-Offs Anonymous and the action taken as at date of reporting:

	2023	2022
Reports received	47	61
Management reviews	30	19
Disciplinary hearings	3	4
Dismissals	2	0
Forensic reviews	17	42
Resigned/separation agreement pending:		
› Investigation/enquiry	2	8
› Disciplinary hearings	4	13
› Dismissals	2	3

No human rights violations were reported during the year, nor were any material incidents of corruption detected or reported. No child labour was employed.

Sustainability

Sustainability governance structures were strengthened by the addition of an ESG executive committee at group executive level and ESG steering committees at the operating divisions to drive the development of a Group sustainability policy with a particular focus on long-term decarbonisation strategies thereby meeting the requirements of the extended producer responsibility (EPR) waste recycling schemes.



The Committee approved the inclusion of UN Sustainable Development Goal 13 (Climate Action) as one of the focus areas for the group.

Health and safety

Health and safety is a priority for Nampak and safety is one of our values. Safety audits are regularly conducted. Some sites have achieved safety certifications. Performance is monitored against safety tolerance levels. The long-term injury frequency rate (LTIFR) in 2023 improved to 0.16 compared to the tolerance level of 0.32. The table below shows the LTIFR statistics over the past five years:

2023	2022	2021	2020	2019
0.16	0.27	0.27	0.36	0.34

Certain individual incentive bonus payments are linked to safety targets. See the remuneration report on page 74.

Consumer and customer relationships

The committee reviewed performance against customer and consumer legislation and regulations and recorded that there were no material breaches. We are pleased to note that the majority of our manufacturing sites continued to hold quality certifications, including those relating to food safety standards. Many of our operations are subject to regular audits by our customers, as well as by independent external accreditation bodies.

Key focus areas for the year ahead

- › Prepare a gap analysis and develop a road map for the achievement of a Level 1 B-BBEE rating
- › Continue with enterprise and supplier development
- › Reduce emissions
- › Install further solar power where feasible
- › Improve transformation especially at managerial level
- › Maintain high safety standards across the group
- › Support communities within the constraints of profitability



CD Raphiri

Chairman

Social, ethics and transformation committee

1 December 2023



The full sustainability report is available on our website www.nampak.com.



Remuneration report

Nampak produces a remuneration report which is compliant with the requirements of King IV™.

As such the following sections have been included in this report:

SECTION 1

A report from the chairman of the nominations and remuneration committee (the committee) that sets out the context for remuneration consideration and decisions as well as an outline of the material issues considered during the year.

SECTION 2

The remuneration policy and framework to be tabled at the AGM for a non-binding advisory vote by shareholders.

SECTION 3

The implementation of the remuneration policy to be tabled at the AGM for a separate non-binding advisory vote by shareholders.

SECTION 1

Report from the chairman

Nampak's remuneration policy is designed to facilitate delivery of the group's strategy in the medium term and to secure a sustainable basis for future consistent and equitable value creation for stakeholders. The relevance of the short- and long-term variable pay structures are reviewed for appropriateness annually to ensure that there is sufficient alignment between potential earnings of executive directors and group executives and value creation for shareholders during the current strategy phase. This report provides details of our remuneration policy and framework as it relates to our employees, group executives, executive directors, and non-executive directors. It also includes our implementation report for executive directors, group executives and non-executive directors.

Shareholder engagement

At the AGM in February 2023, materially less than 75% of shareholders supported the remuneration policy, the implementation report, and non-executive director fees (30.62%, 41.84% and 55.79% in favour, respectively, compared to 71.27%, 72.17%, and 99.38%, respectively in 2022). Dissenting shareholders were invited to submit their reasons for voting against the policy, implementation report, and non-executive director fees to the committee. A series of consultations with various shareholders followed to obtain their feedback on the remuneration report and their view of the remuneration practices.

Mixed and differing views were expressed during the consultations. Primarily shareholders wanted to see a stronger alignment of the incentive measures with the business strategy and performance.

Given the unsatisfactory progress on the previous years' strategy and the unfavourable vote of shareholders at the AGM, the combined Executive Incentive Plan (EIP) is discontinued, and a separate Short-term Incentive (STI) and Long-term Incentive (LTI) schemes are initiated to align the interests of the executive directors, group executive committee (GEC), and senior managers with those of the shareholders.

1 Incentive measures

Stronger alignment of incentive measures to business strategy and performance.

Gatekeeper — group target achievement for STI activation.

STI (annual cash) — shorter term imperatives focused on cash generation.

LTI (deferred equity) — medium term goals focus on return and other strategic measures.

Equity Participation Incentive (CEO and CFO, indefinite equity) — longer term goals focused on share price growth.

The enhancements provide a balanced approach to one-year short term imperatives in the form of a cash incentive, and two to three years longer term strategic goals, in the form of deferred delivery of equity awards, and an equity participation incentive with key performance indicators (KPIs) focused on return measures.

The table above summarises the action taken by Nampak in response to the feedback received.

Overview of the year and impact on remuneration outcomes

The economic context of Nampak was impacted by demand constraints in South Africa which experienced inflation, unemployment, load shedding, and volatility, and increased interest rate in 2023. African economies aggravated these challenges with US\$ liquidity constraints, hyperinflation, forex losses and significant impairments. As a result, the business was faced with severe liquidity constraints requiring working capital improvement, cost reduction, and performance inhibitor elimination.

After the release of the interim results in April 2023, Erik Smuts stepped down as CEO, and the business appointed Phil Roux as the Acting CEO, and subsequently CEO of Nampak. Several changes occurred in the executive team, namely the resignation of the Group Executive for Corporate Finance, Bevcan, and Paper Plastic operations, and the retirement of Group Executives for Legal and Secretarial, Human Capital, and the DivFood operation. All executives were succeeded with the promotion of key internal talent.

The adverse economic context, business performance constraints, and high turnover of executive talent is reflected in the variable pay outcomes. The EIP scheme was discontinued, and there were no cash or equity EIP awards in 2023. To retain key talent in the organisation, a portion of the Bevcan STI was used to reward high performing employees on a discretionary basis.

Activities undertaken in 2023

The committee attended to all activities set out in its charter and the annual committee work plan during the year.



The committee charter is available on the website at: www.nampak.com/Content/Documents/About/remuneration-committee-charter.pdf.

Achievement of objectives

Total guaranteed package

The mandated annual increase to guaranteed packages for the executive levels and all other non-bargaining unit employees during the 2023 financial year was 5-6%, with adjustments for individual performance and position in ranges against benchmark data. The committee reviewed the performance ratings and approved the total guaranteed packages for executive directors and group executives in January 2023.

Variable pay

The committee approved the vesting of the second tranche (50%) of the forfeitable shares awarded in terms of the 2021 EIP. The committee is still in the process of reviewing the once-off downward vesting modifier to the deferred portion of the 2022 EIP. Following the committee decision to discontinue the Minimum Shareholding Requirement policy effectively lifting the holding requirement, the total vested shares will be released in December 2023.

Given that the EIP was discontinued, the committee did not approve any cash or equity awards for 2023.

The committee approved the second release of the performance shares due in December 2023, equal to one third of the vested awards under the September 2019, December 2019 and March 2020 Performance Share Plan (PSP) awards. The remaining one third is due for release in December 2024.

The actual earnings reported under section three of this document on pages 84 to 85 reflect any discretionary awards paid to group executives for retention.

Looking forward

The second year of the agreement reached through the Nampak Enterprise Bargaining Forum (NEBF) on the wage increases for the two-year period from 1 July 2022 to 31 June 2024 was implemented in July 2023. The percentage increases ranged between 5% at the more senior bargaining unit job levels and 6% at the lower levels, applied to the benchmarked wage rates for similar job levels, which resulted in a fixed increase amount per job level.

The fee recommendations for non-executive directors and committee fees, excluding the fees for the nominations and remuneration committee were reviewed by the committee before submission to the board for consideration and recommendation to shareholders for approval by the way of special resolution in terms of the Companies Act requirements.

Following an unfavourable vote at the 2023 AGM the non-executive directors' fees and committee membership fees, the board recommended that the current fee structure of a base fee and fees for meeting attendance remain in place and unchanged from 2021 for 2024 given the high level of corporate activity. The chairperson fee will be reduced and remain on a single fee basis.

Future areas of focus

The committee will continue to review the appropriateness of the new STI and LTI structure and will consider changes as circumstances dictate.

The company will continue to address pay anomalies in a structured fashion to ensure consistent application of pay and performance linked principles across all job levels. This will include focus on eliminating any bias in pay relating to gender and race.

Confirmation

The committee monitored the implementation of the remuneration policy and confirmed that there were no deviations from policy to report. Overall, it is satisfied that the policy has achieved its stated objectives during the reporting period.

In addition, the committee is satisfied that it has executed its duties over the reporting period, according to its terms of reference, relevant legislation, regulations and in accordance with governance standards.

In conclusion, the committee continues to strive towards achieving an appropriate balance between fair and equitable remuneration that reflects alignment to company performance, whilst still ensuring that the correct calibre of talent is attracted and retained.



CD Raphiri

Chairman of the nominations
and remuneration committee
Bryanston

1 December 2023

SECTION 2

Remuneration policy 2024

Policy

The remuneration policy is approved by the board and forms part of the overall remuneration philosophy. In line with King IV™, we set out below the detailed forward-looking remuneration policy applicable to the executive management and on a high-level, for other employees.

The policy has undergone several material changes from the previous period. As mentioned in Section 1, following the unfavourable votes at the AGM and the subsequent engagements with shareholders, the combined Executive Incentive Plan (EIP) is discontinued, and separate Short-term Incentives (STI) and Long-term Incentive (LTI) schemes are initiated to further align the interests of the executive directors, GEC, and senior managers with those of the shareholders.

In support of the new Nampak business model, executive control will no longer be extended beyond the Company's directors. Accordingly, the classification of GEC members, excluding the CEO and the Chief Financial Officer (CFO) who are directors of the company, as prescribed officers is no longer applicable, as well as the remuneration disclosure requirements in this regard.

The unintended consequences of Minimum Shareholding Requirement (MSR) policies were reviewed and consequently terminated. On the basis that the revised LTI schemes comprised a shareholding element, the MSR policy was viewed as redundant and terminated.

There are no longer any long-service executives entitled to a retirement gratuity from a legacy policy which was capped at R500 000 and closed to appointments after December 2013.

Governance

In line with best market practice, our committee is appointed by the board and has delegated authority, in accordance with the committee charter, to establish and administer a remuneration strategy and to review and make decisions regarding our remuneration policies and the implementation thereof to ensure alignment with the principles of fair, transparent and responsible remuneration and legislative and regulatory requirements. The remuneration strategy includes remuneration at all levels, including executive management.

The committee reviews the remuneration strategies considering the overall remuneration philosophy and oversees organisation-wide areas of remuneration including areas where management would ordinarily have discretion. The committee provides feedback to the board annually on how the remuneration policy objectives are being achieved.

Details of the committee composition, meetings, attendance, mandate, and focus has been included in the integrated report on page 68.

In addition to committee members, the CEO, CFO and Group Executive: Human Capital are invited to attend meetings as and when required by the committee. Invitees are not present when their own remuneration is discussed and do not participate in any voting.

The chairperson of the committee attends the AGM to respond to questions from shareholders within the committee's areas of responsibility.

The committee is satisfied that the remuneration policy is fair, transparent, and responsible in that it is reviewed and approved annually.

Fair and responsible remuneration

The committee's stance is that "fair" remuneration is impartial and free from discrimination. It is also free from self-interest, prejudice, or favouritism. It is rational, and not based on an irrational or emotional basis. "Fair" does not mean "the same" and remuneration levels will differ according to several factors, such as productivity, performance, skill, experience, risk and complexity, degree of challenge, level of responsibility of decision-making and consequence and impact on the organisation. Equal contributions to performance should however be rewarded equally. The company's policy on fair and responsible remuneration can be summarised as follows:

Responsible pay

- › All variable pay is subject to the achievement of stretching performance conditions, carefully calibrated, and selected by the committee ensuring a close alignment with shareholder value creation.
- › The link between pay and performance is publicly disclosed by the company in its remuneration report.
- › The committee and, ultimately, the board reviews and approves the remuneration of executive directors, GEC and senior management ensuring independence and transparency.
- › Although remuneration is benchmarked, affordability is a key consideration in any pay adjustments. Variable pay is subject to reduction (malus) and recoupment (clawback) in appropriate circumstances.
- › Remuneration includes provisions for retirement funding, insured benefits, and optional medical cover.

Fair pay

- › Employees are remunerated in accordance with the determined pay scales for the relevant job level aligned to the market.
- › The organisation commits to eliminating any existing unfair discrimination/unjustified differentiation within the remuneration dispensation and preventing future practices of discrimination/differentiation.
- › Horizontal fairness is applied and employees performing the same or similar job requirements at the same or similar level of performance in the organisation receive the same or similar remuneration.
- › Vertical fairness is applied by assessing the pay ratio between the CEO and the pay levels of employees below executive level.
- › Pay is well administered with employees paid accurately on time and in a way that is convenient.

Remuneration framework

Overview

Guaranteed pay

Basic salary and benefits, meaning cash pay and benefits. All employees are eligible and delivered by means of monthly payments.

Variable pay

The total variable pay offering uses separate performance measures for STI (annual cash incentive) and LTI (deferred share incentive). GEC and key senior managers are eligible. The STI is awarded annually, and the LTI shares are delivered over future vesting periods. Executive Directors qualify for an EPI (equity participation and incentive) aimed at share price appreciation.

The components

Basic salary and benefits

Elements

Basic salary

Benefits

Remuneration principles

Designed to attract and retain executives and employees with appropriate competence and experience levels, and diversity of skills and views, to deliver sustainable profitability for the benefit of all stakeholders.

There is a trade-off between receiving compulsory benefits and voluntary benefits from an employee value proposition. The company understands the importance of saving for retirement from an early age and therefore continues to provide a related benefit.

Description

Managerial employees receive guaranteed packages, while other employees receive basic salaries, shift allowances, overtime, and benefits on a build-up basis. Market-related guaranteed packages or cash salaries are tailored to the role of the employee. Pay levels are influenced by market conditions, company performance, internal equity, and individual performance.

Employees in all jurisdictions have access to retirement funding and/or insured benefit arrangements in line with local regulations and in-country practices. Expatriate employees in certain countries receive remuneration for retirement funding and insured benefits where local options are not appropriate. Employees have voluntary access to medical aid or similar arrangements. Employees have access to employee assistance programmes including counselling.

Eligibility

All employees.

All employees.

External surveys

The Deloitte SA Executive Guide.
The Deloitte National Remuneration Guide.
REMchannel®.

Various professional advisers and administrators recognised in their respective jurisdictions.

Competitiveness of offer

Pay levels are benchmarked using survey data from external advisers, annually and for new appointments. Target level for guaranteed packages and basic salaries is clustered around the median for competent levels of performance. Entry to top performance is targeted between 80% to 120% of the median. Top performers, those employees key to future succession and for positions where we have scarce skill risks would be positioned higher in the range. Levels of pay and benefits for shop floor employees are higher than the agreed sector wage levels and engagement to review this position with Labour continues. New appointments are made at rates which are aligned to the industry sector levels.

Compulsory levels of retirement savings and life and disability cover are set using published survey data, where available. Optional medical aid membership. Car allowance or company car linked to role specific requirements for business travel. Flexibility within guaranteed package governed by income tax regulation.

Elements	Basic salary	Benefits
Performance metrics	Individual performance, contribution and future growth potential are considered.	Not applicable.
Performance period	Annual review.	Not applicable.
Governance requirement	Set out in contracts of employment.	Set out in group policies.

Variable pay – Short-term incentive plan (STI)

Participants	CEO, CFO, GEC, and key senior managers.
Review period	Annually to ensure appropriateness.
Calculation of the STI	An appropriate Nampak Group gate-keeper criteria focused on free cash flow (FCF), applies before any individual STI award will be made. For individual awards, the following formula applies: $STI = [Total\ Guaranteed\ Pay \times qualifying\ percentages] \times percentage\ achievement\ against\ targets$. Achievement against targets is weighted 75% toward Nampak Metals financial targets, and 25% toward individual non-financial targets.
Target percentages	The quantum of the incentive is set with reference to guaranteed pay. Financial targets are set for entry, budget, and out-performance levels for all measures in the scorecard. Performances levels range between 80% and 110% of targets.
Scorecard	STI emphasis is placed on delivering against strategic imperatives covering metals group Earnings before Interest, Tax, Depreciation, and Amortisation (EBITDA), free cash flow and strategic imperatives that underpin the turn-around strategy and sustainable profitability.
Performance period	Achievement against targets is assessed over a one-year performance period, aligned to the financial year. Specific milestone-based goals could be measured at milestone dates.
Delivery of the STI	The STI is paid through payroll in December, after authorisation of the quantum by the committee and approved by the board.
Termination of employment	Participants are required to be in the employ of the company at the end of the performance period for the STI to be payable. In the case of no fault termination during the performance period a pro rata payment of the STI will be considered. Payment will take place in December, in the normal course.
Malus and clawback	STI awards are subject to malus and clawback (further details are included on page 81).

Variable pay – Long Term Incentive, Performance Share Plan (PSP)

Participants	GEC (excluding CEO and CFO) and key senior managers.		
Calculation of PSP	For PSP awards, the following formula applies: $PSP = [Total\ Guaranteed\ Pay \times qualifying\ percentages] \times percentage\ achievement\ against\ targets$. Achievement against targets is weighted 75% financial performance and 25% non-financial strategic performance criteria.		
Target percentages	The quantum of the incentive is set with reference to guaranteed pay and at the discretion of the board.		
Performance criteria	PSP emphasis is placed on the annual budget as a reference point; and delivering against strategic imperatives including Headline Earning Per Share (HEPS) and Return on Capital Invested (ROIC) averaged over 3 years. Targets will be set relative to award base year. ROIC targets are contingent on the asset disposal programme and will be adjusted continuously.		
Performance period	1 October 2023 to 30 September 2026.		
Performance mechanism	Conditional to performance criteria being met in September 2026; shares vest one-third every year in December of 2026, 2027 and 2028.		
Settlement of incentive	The delivery of shares will be through a market purchase of Nampak shares at each vesting date assuming continued employment. There will be no dilutionary impact on shareholders. The settlement will be subject to the satisfaction of the company's liquidity at each vesting date.		
Termination of employment	<p>The provisions relating to the termination of employment create a distinction between fault and no-fault terminations.</p> <table border="0"> <tr> <td style="vertical-align: top;"> <p>Fault</p> <p>Fault terminations will forfeit the entire incentive if they terminate their service before the end of the performance period.</p> <p>Where fault termination occurs after the performance period, a portion of the deferred incentive will be forfeited, depending on whether such termination takes place during the first vesting period (100% of deferred incentive forfeited), during the second vesting period (66% of deferred incentive forfeited) or during the third vesting period (34% of the deferred incentive forfeited).</p> </td> <td style="vertical-align: top;"> <p>No-Fault</p> <p>No-fault terminations will forfeit a proportion the incentive. The proportion of the incentive will reflect the number of months served from the award date up to the date of termination of employment and the extent to which the performance target has been satisfied at the expiry of the performance period.</p> <p>If a no-fault termination occurs after the performance period, the incentive will not be forfeited and will vest as per the rules of the plan.</p> </td> </tr> </table>	<p>Fault</p> <p>Fault terminations will forfeit the entire incentive if they terminate their service before the end of the performance period.</p> <p>Where fault termination occurs after the performance period, a portion of the deferred incentive will be forfeited, depending on whether such termination takes place during the first vesting period (100% of deferred incentive forfeited), during the second vesting period (66% of deferred incentive forfeited) or during the third vesting period (34% of the deferred incentive forfeited).</p>	<p>No-Fault</p> <p>No-fault terminations will forfeit a proportion the incentive. The proportion of the incentive will reflect the number of months served from the award date up to the date of termination of employment and the extent to which the performance target has been satisfied at the expiry of the performance period.</p> <p>If a no-fault termination occurs after the performance period, the incentive will not be forfeited and will vest as per the rules of the plan.</p>
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Variable pay – Long-term incentive, performance share plan (PSP) Continued

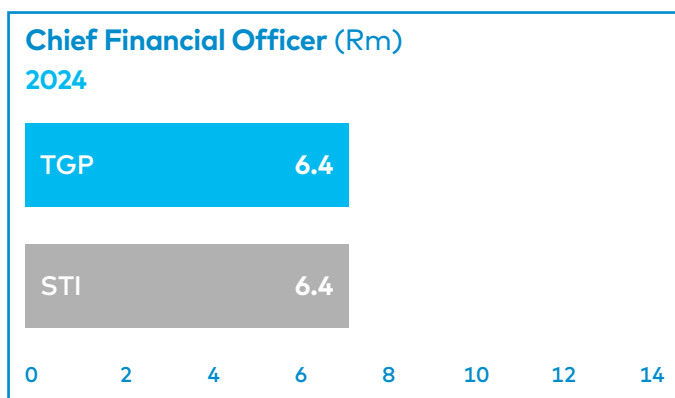
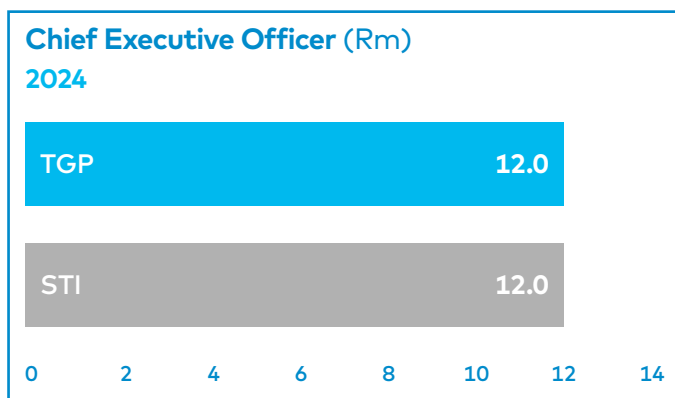
Change of control	In the event of a Change of Control, where the PSP is terminated, unless the committee determines otherwise, the provisions listed under no-fault termination will apply.
Variation of shares	In the event of a Rights Issue, Capitalisation Issue, unbundling, any other corporate action or other event affecting the share capital of the Company participants shall continue to participate in the PSP, but the Nomrem shall make such adjustment to the number of PSPs comprised in the relevant Award, or take such other action, as it thinks appropriate. Such adjustment should give the Participant an entitlement to the same proportion of the equity exposure as that to which he was entitled prior to the occurrence of the relevant event.
Malus and clawback	PSP awards are subject to malus and clawback (further details are included on page 81).

Variable pay – Long-term incentive, equity participation and incentive (EPI)

Participants	CEO and CFO								
Calculation of EPI	EPI = Employee Share Investment amount (ESI) x Employer Share Incentive factor (ESIF).								
	<table border="1"> <thead> <tr> <th>CEO</th> <th>CFO</th> </tr> </thead> <tbody> <tr> <td>ESIF = 4.0 times</td> <td>ESIF = 2.5 times</td> </tr> <tr> <td>ESI = R4.0 million</td> <td>ESI = R4.0 million</td> </tr> <tr> <td>Loan amount = R16 million</td> <td>Loan amount = R10 million</td> </tr> </tbody> </table>	CEO	CFO	ESIF = 4.0 times	ESIF = 2.5 times	ESI = R4.0 million	ESI = R4.0 million	Loan amount = R16 million	Loan amount = R10 million
CEO	CFO								
ESIF = 4.0 times	ESIF = 2.5 times								
ESI = R4.0 million	ESI = R4.0 million								
Loan amount = R16 million	Loan amount = R10 million								
Performance criteria	Share price appreciation.								
Performance period	Indefinite.								
Delivery of incentive	The employer will sell to the employee, at a predetermined price, a number of sale shares equivalent to the employees' own investment amount ESI x ESIF factor. The ESIF factors for the CEO and CFO are 4.0 and 2.5 times the ESI respectively. In addition, the employer will seek the approval of a loan for the employees to procure the ESIF portion of sale shares, and the employees will pledge the ESIF portion of the sale shares as security against the loan. There are no restrictions on the employee to trade the ESI shares.								
Settlement of incentive	The employer will retain ownership of any sale shares procured by means of the loan. Sale shares will transfer to the employees on their settlement at the purchase price of the shares. The maximum settlement period is 3 years.								
Transfer of shares	The transfer of the sale shares shall be implemented by way of a book over on market on the JSE.								
Termination of employment	The equity participation and incentive are not subject to the employees' tenure with the company.								

Pay for performance and remuneration mix

The mix of guaranteed pay and on-target STI below:



The ratio of TGP to STI is in line with market benchmarks for similar roles in the South African market. The CEO's LTI ratio of TGP has increased significantly owing to the EPI scheme aimed at incentivising shareholder value accretion and aligning Executive Directors with shareholders' interest.

Contractual terms and payments on termination of employment

The CEO and CFO have indefinite service contracts with notice periods of three months.

The CEO and CFO were awarded sign-on and retention payments respectively which were converted into a portion of the employee share investment amount of the EPI. The service contracts do not contain any other provisions relating to payments due on termination of employment, for whatsoever reason, or following a change of control of the company. In the event of a change of control, share allocations will be dealt with in terms of the rules of the relevant share plans.

The executive directors have no entitlement to a restraint of trade payment, guaranteed bonuses or any other payments or allowances such as buy-outs, ex gratia payments. In the event of redundancy, executive directors are entitled to receive payment in terms of the Nampak redundancy policy, in addition to notice pay. Redundancy pay is calculated based on length of service and age and varies between two weeks and four weeks for every completed year of service. The payment is calculated using 75% of total guaranteed package. The maximum entitlement is capped at 60 weeks.

Malus and clawback policy

In line with market practice, incentive remuneration will be subject to malus and/or clawback, in the event of a trigger event occurring. The provisions are formalised in terms of Nampak's Malus and Clawback Policy. The list of trigger events includes but are not limited to:

- › a material misstatement of the financial results resulting in an adjustment in the audited consolidated accounts of the company or the audited accounts of any member of the group;
- › the fact that any information used to determine the quantum of an incentive was based on error, or inaccurate or misleading information;
- › action or conduct of a participant which, in the reasonable opinion of the board, amounts to serious misconduct or gross negligence; and/or
- › events or behaviour of a participant, or the existence of events attributable to a participant, which led to the censure of the company or a member of the group, by a regulatory authority or have had a significant detrimental impact on the reputation of the company.

Malus (pre-payment/pre-vesting)

Unpaid or unvested incentive remuneration will be subject to malus provisions. This means the incentive remuneration may be reduced or forfeited if a trigger event is discovered prior to payment or vesting, as applicable.

Clawback (post-payment/post-vesting)

Paid or vested incentive remuneration will also be subjected to clawback if a trigger event is discovered as described above, during a three-year period following payment or vesting date, as applicable.

Where a trigger event has occurred, the repayment of the pre-tax cash value of the paid or settled incentive remuneration will become due.

Non-executive director remuneration

The non-executive directors do not have contracts of employment with the company and are appointed by rotation in terms of our memorandum of incorporation.

The committee recommends the non-executive fee structures annually after obtaining benchmarks from the Deloitte non-executive director report, survey data and published remuneration within an industry and company size peer group. Comparisons are made against the benchmark data for the JSE top 100 listed companies and as it remains relevant to attract and retain the correct calibre of director. In addition, the median for companies comparable in size to Nampak, is considered when recommending non-executive director remuneration to shareholders.

Total NED fees are calculated using the number of scheduled meetings for the year. Actual fees paid may differ due to unplanned additional meetings, owing to the current variability and business requirements.

The company's NED are paid based on their role and policy is applied using the following principles:

- › NEDs' fees are paid for board membership and committee participation.
- › The fees are paid every two months, in arrears.
- › NEDs do not receive incentive bonus payments, nor do they participate in any incentive plans.
- › Fees disclosed are exclusive of value-added tax (VAT).
- › NEDs are reimbursed for travel expenses, where necessary.

Fees in respect of the 2023 year consisted of a base fee and a fee based on meeting attendance. Differentiated fees were set for sub-committee chairpersons and sub-committee members.

After considering recommendations from management and the committee, the board has proposed that the current fee structure of a base fee and fees for meeting attendance remain in place for 2024 owing to increased turnaround strategic activity. It is proposed that fees approved at the Company's AGM in 2021 apply in 2024 without any increase. The fee for the chairman remains a single fee at R1 575 000.

The proposed fees for 2024 are set out on page 91 of the integrated report.

Non-binding advisory shareholder votes

Shareholders are encouraged to provide feedback and contributions regarding their position on the various voting requirements. We therefore invite shareholders wishing to engage with the chairman of the nominations and remuneration committee to do so via email at corporategovernance@nampak.com

Nampak will table this year's remuneration policy together with the implementation report for two separate non-binding advisory votes by the shareholders at the 2024 AGM, in line with best practice, King IV™ and the JSE Listings Requirements. Should a dissenting vote of 25% or more be received for either the remuneration policy or the implementation report, or both, we will include an outline of the process and timing of our proposed engagement with shareholders to resolve unsatisfactory results in the SENS announcement of the voting results of the AGM. The committee will respond and provide feedback on shareholders' queries and/or concerns. Following this engagement, the committee may amend aspects of the remuneration policy.

SECTION 3

Implementation report 2023

The implementation report details the outcomes of executing the remuneration policy for executive directors and group executives in the 2023 financial year. The remuneration committee has applied the King IV™ recommendation that companies must disclose a single figure of earnings received and receivable for the reporting period.

Contractual terms and payments on termination of employment

As mentioned in section 1, there were a number of terminations in 2023. The payments on termination are reflected in the notes to the table on remuneration of executives in 2023 on page 84.

Guaranteed remuneration increases in the context of fair and responsible remuneration. The mandated annual increase percentage applied to guaranteed packages for the executive directors and senior executives relative to the change in remuneration for other staff groupings in South Africa, where most employees are located, are set out below:

Grouping	Mandated increase	
	2023 (%)	2022 (%)
Executive directors (1 October 2022)	6	4.5
Senior executives (1 October 2022)	6	4.5
Managers and supervisors (1 January 2023)	6	4.5
Bargaining unit employees (1 July 2023) ¹	5 to 6	5 to 6

1 The 2022 settlement agreement was for a two-year period and applied in 2023. The increase percentages applied to the benchmarked wage rates for similar job levels, resulted in a fixed increase amount per job level. The percentage increases ranged between 5% at the more senior bargaining unit job levels and 6% at the lower levels.

The percentages tabled above do not include guaranteed package movements for promotions or market alignment adjustments. In line with the company's approach to fair and responsible remuneration, it aimed to realise:

- › total levels of executive remuneration that are not excessive in comparison to market benchmarks for the role and complexity (to be reviewed again in 2024);
- › other staff are paid competitively against benchmarks and are managed where practical within the overall budget mandate; and
- › performance, contribution and compa-ratio to market benchmarks are considered when determining annual increases for all non-bargaining unit employees.

In countries outside of South Africa, general staff also received increases in a range around local country inflation. Increase mandates were set in consultation with the CEO after considering prevailing economic conditions, market increase trends and inflation rates.

EIP performance assessment

Given the shareholders' position on executive remuneration and the Company's financial position, it was deemed inappropriate to continue with the Executive Incentive Plan ("EIP") in FY2023. Consequently, the Committee did not assess any performance against targets for executive directors for the 2023 EIP and no incentives were awarded to participants of the EIP.

Participants of the EIP were permitted to participate in the rights offer in respect of forfeitable shares in terms of the EIP rules and the JSE Listings Requirements, the latter having been amended to exclude full or partial entitlements (including excess applications) as a shareholder by way of a renounceable rights offer from the definition of a 'transaction'. For participants electing not to follow their rights, the purchase or sale of nil paid letters were regarded as a "transaction" and the provisions of the Company's Dealing in Nampak Securities Policy, as well as statutory and regulatory protocol relating to the management of price sensitive information, was applicable. A formal guide to directors/employees describing the various rights offer mechanisms and outlining their participation options thereto was circulated.

It was resolved that a revised incentive plan be implemented for executives and key senior managerial employees for measurement and assessment on 30 September 2024.

Historical LTI performance assessment

There were no further allocations in terms of the historical performance share plan (PSP) which ended in 2022.

More information is provided in the separate and detailed remuneration report.



The remuneration report is available on our website at: www.nampak.com

The single total figure of remuneration

Remuneration 2023

The following table sets out the total remuneration received and receivable by executive directors and group executives:

Rand	Basic salary	Company contribution to retirement	Guaranteed package	Value of other benefits	Sign-on/retention bonus	Total single figure remuneration
Executive directors						
EE Smuts ¹	4 734 768	37 219	4 771 987	13 257 185	—	18 029 172
GR Fullerton ¹¹	6 245 718	144 032	6 389 750	14 331	4 545 454	10 949 535
PM Roux ²	5 323 027	—	5 323 027	—	5 000 000	10 323 027
Total	16 303 513	181 251	16 484 764	13 271 516	9 545 454	39 301 734
Group executives						
C Burmeister ³	546 765	81 843	628 608	1 113 773	—	1 742 381
LD Kidd ⁴	2 958 761	132 364	3 091 125	833 460	—	3 924 585
SB McGill ⁵	3 036 887	26 347	3 063 234	520 061	—	3 583 295
H Nel ⁶	3 054 294	194 923	3 249 217	579 498	—	3 828 715
Q Swart ⁷	3 299 038	234 113	3 533 151	—	1 766 575	5 299 726
IH van Lochem ⁸	2 970 451	152 449	3 122 900	817 390	—	3 940 290
O Pillay ⁹	595 989	54 011	650 000	1 458	450 000	1 101 458
PM Mosidi ¹⁰	323 004	49 579	372 583	836	974 396	1 347 815
Total	16 785 189	925 629	17 710 818	3 866 476	3 190 971	24 768 265
Total	33 088 702	1 106 880	34 195 582	17 137 992	12 736 425	64 069 999

- EE Smuts exited on mutual terms effective 18 April 2023. The terms included severance pay of R7 084 772; notice pay of R2 045 138; leave pay of R966 723, farewell gift of R10 000, and a long service gratuity of R500 000.
- PM Roux was appointed Acting CEO on 20 April 2023. He was paid a sign-on bonus to be re-invested in acquiring company shares.
- C Burmeister retired effective 30 November 2022, resulting in deferred incentive falling away in terms of the plan rules.
- LD Kidd retired effective 31 July 2023, including leave pay of R267 175; farewell gift of R5 000; and a long service gratuity of R500 000.
- SM McGill resigned effective 31 August 2023, including leave pay of R501 207; and a farewell gift of R5 000.
- H Nel resigned effective 31 July 2023, including leave pay of R566 946; and a farewell gift of R5 000.
- Q Swart resigned effective 31 October 2023. The gross retention amount of R1 766 575 will be recovered as a consequence.
- IH van Lochem retired effective 31 August 2023, including leave pay of R267 175; farewell gift of R5 000; and a long service gratuity of R500 000.
- O Pillay was appointed Group Executive: Legal and Secretarial effective 1 July 2023. A discretionary retention incentive of R450 000 was paid in 2023.
- PM Mosidi was appointed Group Executive: Human Capital effective 1 August 2023. A discretionary retention incentive of R974 396 was paid in 2023.
- GR Fullerton was paid a retention bonus which is to be re-invested in acquiring company shares.

Remuneration 2022

The following table sets out the total remuneration received and receivable by executive directors and group executives:

Rand	Basic salary	Company contribution to retirement	Guaranteed package	Value of other benefits ¹	Executive incentive plan ²		Historical LTI ³	Total single figure remuneration
					Annual incentive (cash)	Deferred incentive (equity)		
Executive directors								
EE Smuts	7 658 538	58 962	7 717 500	20 442	5 853 139	5 853 139	596 820	20 041 040
GR Fullerton	6 067 884	46 716	6 114 600	12 234	4 256 991	4 256 991	475 365	15 116 181
Total	13 726 422	105 678	13 832 100	32 676	10 110 130	10 110 130	1 072 185	35 157 221
Group executive								
C Burmeister ⁴	3 273 892	71 108	3 345 000	6 693	1 169 222	—	124 851	4 645 766
LD Kidd	3 422 563	74 337	3 496 900	11 997	2 122 626	2 122 626	192 079	7 946 228
SB McGill	3 319 444	25 556	3 345 000	6 693	2 121 415	2 121 415	74 128	7 668 651
H Nel	3 716 686	28 614	3 745 300	7 494	2 414 679	2 414 679	74 128	8 656 280
Q Swart	3 319 444	25 556	3 345 000	6 693	1 778 362	1 778 362	74 128	6 982 545
IH van Lochem	3 230 529	24 871	3 255 400	6 514	2 035 072	2 035 072	192 079	7 524 137
Total	20 282 558	250 042	20 532 600	46 084	11 641 376	10 472 154	731 393	43 423 607
Total	34 008 980	355 720	34 364 700	78 760	21 751 506	20 582 284	1 803 578	78 580 828

1. Other benefits refer to group personal accident cover and 25-year long service awards paid to EE Smuts and LD Kidd to the value of R5 000 during the year, in terms of the group policy.
2. The incentive disclosed under executive incentive plan (EIP) is based on the one-year performance period ended 30 September 2022. In terms of the plan, 50% of the determined amount will be paid in cash as an annual incentive, payable in December 2022, subject to the satisfaction of a free cash flow condition. The remaining 50% will be delivered as forfeitable shares subject to forfeiture and disposal restrictions. The shares will be purchased on the open market post closed period and the actual number of shares acquired will be disclosed in the 2023 report. The full incentive value is disclosed in the table above, however, the deferred incentive will only be recognised in the directors and prescribed officers' remuneration note in the financial statements on vesting.
3. Historical LTI disclosed refers the December 2019 and March 2020 PSP awards, to the extent that the performance conditions were satisfied. PSP awards were valued at the 30-day VWAP at year-end.
4. C Burmeister retired with effect 30 November 2022, resulting in the deferred incentive falling away in terms of the plan rules.

Remuneration report continued

Minimum shareholding requirement (MSR) compliance

Compliance with the policy was not assessed given that the MSR policy was discontinued.

Share disclosure tables

Disclosure on the quanta and value of awards outstanding at the beginning of the reporting period, as well as new awards made during the reporting period is provided in the separate and detailed remuneration report.



The remuneration report is available on our website at: www.nampak.com

Non-executive directors' remuneration 2022/2023

The non-executive directors' remuneration paid during the year under review (as approved previously by shareholders) and the total comparative figures are disclosed below:

Rand	Directors fee	Audit and risk	Nominations and remuneration	Social, ethics and transformation	Total fees 2023	Total fees 2022
N Khan	507 250	182 100	—	—	689 350	585 950
T Kruger	287 660	95 973	78 695	—	462 328	—
K Mzondeki	530 850	201 200	—	—	732 050	585 950
C Raphiri	460 050	—	346 300	210 300	1 016 650	847 650
S Ridley	507 250	388 800	186 500	—	1 082 550	953 550
PM Roux	69 298	—	8 630	—	77 928	—
L Sennelo	333 614	106 519	—	76 355	516 488	693 250
P Surgey	1 575 000	—	—	—	1 575 000	1 575 000
A van der Veen	287 550	—	13 975	—	301 525	—
Total	4 558 522	947 592	634 100	286 655	6 453 869	5 241 350

Shareholders' diary at 30 September 2023

Annual general meeting

Thursday, 15 February 2024

Interim statement and ordinary dividend announcement for the half-year ending 31 March 2024

May 2024

Group results and ordinary dividend announcement for the year ending 30 September 2024

December 2024

Dividend

Ordinary

Final dividend for the year ended 30 September 2023

No dividend being paid

Interim dividend for the half-year ending 31 March 2024

To be paid in July 2024, if payable

Preference

6.5% and 6% cumulative preference dividends

Payable twice per annum during February and August



Notice of annual general meeting

Nampak Limited

("Nampak" or "the Company")

Incorporated in the Republic of South Africa

Registration number: 1968/008070/06

Share code: NPK

ISIN: ZAE000322095

Notice is hereby given that the 56th annual general meeting of Nampak Limited shareholders will be held at 14:00 on Thursday, 15 February 2024 at the Terraces at the Vineyard Hotel, 60 Colinton Road, Newlands, Cape Town, 7700.

Nampak shareholders and any persons who are not shareholders but who are entitled to exercise any voting rights in relation to the resolutions to be proposed at the meeting as at the record date of Friday, 9 February 2024, (collectively the "holders" or "you"), are entitled to participate in and vote at the annual general meeting in person or by proxy/ies.

The board of directors of Nampak Limited ("the board") has determined, in accordance with section 59 of the Companies Act, No. 71 of 2008 ("the Companies Act"), that the record date for purposes of determining which shareholders are entitled to receive this notice is Friday, 8 December 2023. The record date for persons to be recorded as shareholders in the securities register of the Company in order to be able to attend, participate in and vote at the annual general meeting, is Friday, 9 February 2024. Accordingly, the last date to trade in order to be registered in the Company's securities register is Tuesday, 6 February 2024.

[This document is available in English only. Your attention is drawn to the notes at the end of this notice, which contain important information with regard to participation in the annual general meeting.](#)

The purpose of the annual general meeting is for you to consider and to pass with or without modification, if approved, the following ordinary and special resolutions, in the manner required by the Company's Memorandum of Incorporation ("MOI") and the Companies Act, as read with the Listings Requirements of the stock exchange operated by JSE Limited ("the JSE") ("the Listings Requirements"):

Presentation of annual the financial statements and the social and ethics report

1. Annual financial statements

The consolidated audited annual financial statements of the Company and of the Nampak group, for the financial year ended 30 September 2023, together with the directors' report, the audit and risk committee report and the report from the external auditors, are available and can be obtained from the Nampak website at www.nampak.com. Summarised annual financial statements are included with this notice of annual general meeting.

2. Social and ethics report

The social and ethics report of the social, ethics and transformation committee for the financial year ended 30 September 2023, as required in terms of regulation 43(5)(c) of the Companies Regulations, 2011 ("the Regulations") is set out on page 70 of the integrated report.

Ordinary resolutions

Ordinary resolutions, save to the extent expressly provided in respect of a particular matter contemplated in the Listings Requirements or MOI, shall be adopted with the support of more than 50% of the voting rights exercised on the resolution by those persons participating in the meeting.

3. Re-election of retiring director

The holders are required to vote on the election, by way of a separate vote, for the following director who is required to retire as director of the Company in terms of clause 29.1 of the MOI, and who is eligible and available for re-election, and therefore the holders are required to:

3.1 Ordinary resolution number 1 – re-election of KW Mzondeki

“Resolve that KW Mzondeki be and is hereby re-elected as a director of the Company.”

The nominations and remuneration committee has recommended the eligibility of the director after due consideration of inter alia, independence, past performance and contributions made. It is the board's view that the re-election of the director referred to above would enable the Company to reliably maintain a mixture of relevant experience, skills and diversity and enable it to maintain a balance of executive, and independent non-executive directors on the board.

As indicated in the Chairman's review in Nampak's integrated report, PM Surgey will be resigning as a director and as chairman of the board at the annual general meeting to be held on 15 February 2024.

In addition, CD Raphiri has indicated that he will be resigning as a director (and as chairman of the nominations and remuneration committee and chairman of the social, ethics and transformation committee) at the annual general meeting to be held on 15 February 2024.

4. Election of new directors

The holders are required to vote on the election, by way of a separate vote, for the following directors who were appointed by the Board after the previous annual general meeting in terms of clause 28.3 of the MOI, and who will cease to hold office at the end of the annual general meeting, unless elected therein. Messrs A van der Veen and PM Roux and Mses PJ Mnisi and N Siyotula are eligible and available for election, and therefore the holders are required to:

4.1 Ordinary resolution number 2 – election of A van der Veen

“Resolve that A van der Veen be and is hereby elected as a director of the company.”

4.2 Ordinary resolution number 3 – election of PM Roux

“Resolve that PM Roux be and is hereby elected as a director of the company.”

4.3 Ordinary resolution number 4 – election of PJ Mnisi

“Resolve that PJ Mnisi be and is hereby elected as a director of the Company.”

4.4 Ordinary resolution number 5 – election of N Siyotula

“Resolve that N Siyotula be and is hereby elected as a director of the Company.”

Messrs A van der Veen and PM Roux were appointed as independent non-executive directors on 16 March 2023 to fill vacancies on the board, and Mr PM Roux was subsequently appointed as an executive director on 20 April 2023. Mses PJ Mnisi and N Siyotula were appointed as independent non-executive directors with effect from 1 October 2023 to fill vacancies on the board. It is the board's view that their election would enable the Company to reliably maintain a mixture of relevant experience, skills and diversity and enable it to maintain a balance of executive, and independent non-executive directors on the board.

Brief biographies of the aforementioned directors are included on pages 58 to 61 of the integrated report, distributed with this notice.

5. Ordinary resolution number 6 – appointment of external auditors

A new external audit firm has been appointed for the financial year ending 30 September 2024 in line with the Independent Regulatory Board for Auditors' rule on mandatory audit firm rotation. The board has endorsed the recommendation by the audit and risk committee, to appoint PricewaterhouseCoopers Inc (“PwC”) as the Company's external auditors, with effect from 1 October 2023, and accordingly nominates PwC for appointment as external auditor of the Company.

The holders are required to vote on the appointment of PwC to act as the Company's independent external auditor until the end of the next annual general meeting and therefore, the holders are required to:

“Resolve that PwC be and is hereby appointed as the Company's independent external auditor until the end of the next annual general meeting, and note that Mr Michal Kotze will undertake the audit during the financial year ending 30 September 2024 as the individual registered auditor of PwC.”

The audit and risk committee satisfied itself that PwC is qualified and independent of the group. Taking into consideration PwC internal quality control procedures and the Independent Regulatory Board for Auditors' report on the firm, the committee concluded further that the quality and effectiveness of the external audit process remain satisfactory.

It is also confirmed that none of the circumstances set out in section 90(6) of the Companies Act apply as at the date of the annual general meeting.

6. Appointment of members of the audit and risk committee

The holders are required to vote on the election, each by way of a separate vote, of the members of the audit and risk committee of the Company, and therefore the holders are required to:

6.1 Ordinary resolution number 7 – appointment of N Khan

“Resolve that N Khan be and is hereby elected as a member of the audit and risk committee of the Company to hold office until the end of the next annual general meeting;”

6.2 Ordinary resolution number 8 – appointment of KW Mzondeki

“Resolve that KW Mzondeki be and is hereby elected as a member of the audit and risk committee of the Company subject to her being re-elected as director in terms of ordinary resolution number 1, to hold office until the end of the next annual general meeting;”

6.3 Ordinary resolution number 9 – appointment of SP Ridley

“Resolve that SP Ridley be and is hereby elected as a member of the audit and risk committee of the Company to hold office until the end of the next annual general meeting;”

6.4 Ordinary resolution number 10 – appointment of PJ Mnisi

“Resolve that PJ Mnisi be and is hereby elected as a member of the audit and risk committee of the Company subject to her being elected as director in terms of ordinary resolution number 4, to hold office until the end of the next annual general meeting;”

6.5 Ordinary resolution number 11 – appointment of N Siyotula

“Resolve that N Siyotula be and is hereby elected as a member of the audit and risk committee of the Company subject to her being elected as director in terms of ordinary resolution number 5, to hold office until the end of the next annual general meeting;”

At the date of this notice, there are no vacancies on the audit and risk committee.

The board has reviewed the proposed composition of the audit and risk committee against the requirements of the Companies Act and the Regulations*, and has confirmed that the proposed audit and risk committee will comply with the prescribed requirements, and has the necessary knowledge, skills and experience to enable the audit and risk committee to perform its duties in terms of the Companies Act. The board recommends the election by holders of the directors listed above as members of the audit and risk committee, to hold office until the end of the next annual general meeting.

Brief biographies of the aforementioned directors are included on pages 58 to 61 of the integrated report, distributed with this notice.

Non-binding advisory votes

The holders are required to consider and vote on the resolutions set out below, in the manner required by the Report on Corporate Governance for South Africa 2016 (“King IV™”), as read with the Listings Requirements and therefore the holders are required to:

7. Remuneration policy of the Company

“Endorse on an advisory basis the Company’s remuneration policy (excluding the remuneration of the non-executive directors for their services as directors and members of board committees and the audit and risk committee) as set out on pages 64 and 65 of the Company’s integrated report for the year ended 30 September 2023;” and

8. Implementation report of the Company’s remuneration policy

“Endorse on an advisory basis the implementation report of the Company’s remuneration policy as set out on pages 77 to 82 of the Company’s integrated report for the year ended 30 September 2023.”

Reason for the advisory endorsements

In terms of the King IV™ and the Listings Requirements, advisory votes should be obtained from the shareholders on the Company’s remuneration policy and implementation report of the Company’s remuneration policy. The votes allow shareholders to express their views on the remuneration policy adopted and the extent of the implementation thereof, but are not binding on the Company.

* Sections 94(4) and 94(5) of the Companies Act read with Regulation 42.

9. Ordinary resolution number 12 – approval of general issue of shares for cash

The holders are requested to:

“Resolve that directors be and are hereby authorised to allot and issue unissued shares of a class of shares already in issue in the capital of the company (and/or options in respect of shares or securities convertible into shares) for cash to such person(s) and on such terms and conditions as the directors may from time to time, in their discretion deem fit, subject to the Act, the MOI of the company and the JSE Listings Requirements (as amended from time to time, and subject to any rulings or dispensations granted by the JSE Limited), which currently include, among others:

- a) That the shares which are the subject of the issue for cash must be of a class already in issue, or where this is not the case, must be limited to such shares or rights that are convertible into a class already in issue.
- b) That this authority will not endure beyond the earlier of the next annual general meeting of the company or beyond fifteen (15) months from the date of the passing of this resolution.
- c) That an announcement giving full details, including intended use of the funds, will be published at the time of any issue representing, on a cumulative basis within one year, 5% (five percent) or more of the number of shares of that class in issue prior to the issue.
- d) That the aggregate issue of any particular class of shares in any financial year will not exceed 5% (five percent) of the issued number of that class of shares (including securities that are compulsorily convertible into shares of that class on the date of this notice). The number of shares which may be issued under this authority shall be based on the number of shares in issue as at the date of this notice. As at the date of this notice, 5% (five percent) of the number of issued shares, excluding treasury shares, amounts to 415 054 ordinary shares.
- e) That in determining the price at which an issue of shares will be made in terms of this authority, the discount at which the shares may be issued (if applicable), may not exceed 10% (ten percent) of the weighted average traded price of the shares in question, as determined over the thirty (30) business days prior to the date that the price of the issue is agreed.
- f) That the shares will only be issued to ‘public shareholders’ as defined in the JSE Listings Requirements. However, in terms of the JSE Listings requirements related parties may participate in a general issue for cash through a bookbuild process provided:

- (i) the approval by shareholders contemplated in paragraph 5.52(e) of the JSE Listings Requirements expressly affords the ability to the issuer to allow related parties to participate in a general issue for cash through a bookbuild process;
- (ii) related parties may only participate with a maximum bid price at which they are prepared to take up shares or at book close price. In the event of a maximum bid price and the book closes at a higher price the relevant related party will be ‘out of the book’ and not be allocated shares; and
- (iii) equity securities must be allocated equitably ‘in the book’ through the bookbuild process and the measures to be applied must be disclosed in the SENS announcement launching the bookbuild.”

Ordinary resolution 12 is subject to a minimum of 75% of the votes of shareholders of the company present in person or by proxy at the annual general meeting and entitled to vote, voting in favour of this ordinary resolution.

Special resolutions

Special resolutions shall be adopted with the support of at least 75% of the voting rights exercised on the resolution of those persons present at the meeting.

10. Special resolution number 1 – approval of non-executive directors’ remuneration

“Resolve that for the period commencing 1 October 2023 until this resolution is specifically replaced, the remuneration payable to non-executive directors of the Company for their services as directors is set out in the table on page 92.

Reason and effect of special resolution number 1

In terms of section 65(11)(h) of the Companies Act, read with sections 66(8) and 66(9) of the Companies Act, remuneration may only be paid to directors for their services as directors in accordance with a special resolution approved by the holders within the previous 2 (two) years, and only if this is not prohibited in terms of the MOI.

The proposed remuneration payable to non-executive directors is based on best practice and aimed at ensuring fair and competitive remuneration. It is important for the Company to attract and retain directors with the relevant experience and skills to effectively lead the Company.

Notice of annual general meeting continued

Proposed fees

Rand (exclusive of VAT)	Base fee per annum	Fee per meeting for attendance
Board/Committee¹		
Non-executive chairman ²	1 400 000	n/a
Non-executive director	230 000	23 600
Audit and risk committee chairman	200 000	50 000
Audit and risk committee member	110 000	19 100
Chairman of other board committees	180 000	17 000
Member of other board committees	90 000	9 900

1 There are currently 3 (three) board committees (the audit and risk committee, the nominations and remuneration committee and the social, ethics and transformation committee).

2 Single fee for the role of non-executive chairman and participation in any board committee meetings, as member or chairman.

11. Financial assistance

Taking into consideration that:

The Company may be required to grant financial assistance as contemplated in sections 44 or 45 of the Companies Act in the normal course of business, for the facilitation of effective day-to-day operations, financial administration and financial structuring, or in relation to black economic empowerment transactions, existing share schemes or other incentive initiatives from time to time.

Nampak's subsidiaries and other related and inter-related companies and corporations are only able to obtain financing and/or financial backing from Nampak Limited pursuant to a special resolution of the shareholders in terms of sections 45 of the Companies Act, which may include inter-company loans or Company guarantees in favour of third parties such as financial institutions, service providers and other counterparties (in respect of the provision of banking facilities, structured financing transactions, the refinancing or restructuring of existing financing transactions, new funding arrangements, acquisition transactions, project financing or debt capital transactions).

Nampak's existing share schemes do not satisfy the requirements of section 97 of the Companies Act in that these schemes provide for, amongst others, the transfer of shares, in addition to the issue of shares, to employees (including executive directors and prescribed officers) of the Nampak Group and therefore are not exempt from the provisions of sections 44 and 45 of the Companies Act which require that the granting of financial assistance by the Company for the purposes of the scheme be approved by special resolutions of the shareholders.

No such financial assistance will be given in contravention of any statutory requirement and/or the Listings Requirements applicable to the Company.

The holders are requested to:

11.1 Special resolution number 2 – Financial assistance in terms of section 45 of the Companies Act

"Authorise, to the extent required in terms of section 45 of the Companies Act, the Board, as it in its discretion deems fit, but subject to compliance with the requirements of the MOI, the Companies Act and the Listings Requirements applicable to the Company, to grant authority to the Company to provide at any time and from time to time during the period of 2 (two) years commencing on the date of this special resolution, any direct or indirect financial assistance ('financial assistance' will herein have the meaning attributed to such term in section 45(1) of the Companies Act and includes lending money, guaranteeing a loan or other obligation, and securing any debt or obligation) to a director or prescribed officer of the Company or of a related or inter-related company, or to a member of a related or inter-related corporation, or to a person related to any such company, corporation, director, prescribed officer or member, provided that:

- (i) such financial assistance may relate to transactions or other arrangements, including related to any share schemes for employees of the Nampak Group, for purposes of any incentive programs and arrangements for executive management of the Group or for the purposes of or in connection with a black economic empowerment transaction;

- (ii) the Board, when authorising any such financial assistance, determines: (a) the recipient or recipients of such financial assistance; (b) the form, nature and extent of such financial assistance and (c) the terms and conditions under which such financial assistance is provided; and;
- (iii) the Board may not authorise the Company to provide any financial assistance pursuant to this special resolution unless the Board, before making any such financial assistance available, has satisfied itself that immediately after providing the financial assistance, the Company will satisfy the solvency and liquidity test as contemplated in the Companies Act and that the terms under which the financial assistance is proposed to be given are fair and reasonable to the Company and meet all those requirements of section 45 of the Companies Act which it is required to meet in order to authorise the Company to provide such financial assistance."

Reason for and effect of special resolution number 2

This special resolution is proposed in order to comply with the requirements of section 45 of the Companies Act which provides that financial assistance as contemplated must be approved by a special resolution of the holders, adopted within the previous 2 (two) years.

The effect of this special resolution will be to ensure amongst others, that directors and prescribed officers of the Company, Nampak's subsidiaries and other related and inter-related companies and corporations and any trusts operating share schemes for employees of the Nampak Group have access to financing and/or financial backing from Nampak for any purpose in the normal course of business of the Nampak Group and/or as required for any black economic empowerment transactions.

The effect of this special resolution will be for the Company to provide financial assistance to or their related or inter-related companies in connection with Nampak's existing share schemes only, and not for any other purpose.

11.2 Special resolution number 3 – Financial assistance in terms of section 44 of the Companies Act

"**Authorise**, to the extent required in terms of section 44 of the Companies Act, the Board, as it in its discretion deems fit, but subject to compliance with the requirements of the MOI, the Companies Act and the Listings Requirements applicable to the Company, to grant authority to the Company to provide at any time and from time to time during the period of 2 (two) years commencing on the date of this special resolution, any direct or indirect financial assistance

by way of a loan, guarantee, the provision of security or otherwise to any person, including Participants (as defined in Nampak's existing share schemes) for the purpose of, or in connection with, the subscription of any option, or any securities, issued or to be issued by the Company or a related or inter-related company, or for the purchase of any securities of the Company or a related or inter-related company, provided that:

- (i) such financial assistance may be in connection with Nampak's existing share schemes, for purposes of any incentive programs and arrangements for executive management of the Group or black economic empowerment transactions;
- (ii) the Board (or any person or persons to whom the Board has delegated the power to approve recipients of the financial assistance) from time to time determines: (a) the recipient or recipients of such financial assistance; (b) the form, nature and extent of such financial assistance and (c) the terms and conditions under which such financial assistance is provided; and
- (iii) the Board may not authorise the Company to provide any financial assistance pursuant to this special resolution unless the Board, before making any such financial assistance available, has satisfied itself that immediately after providing the financial assistance, the Company will satisfy the solvency and liquidity test as contemplated in the Companies Act and that the terms under which the financial assistance is proposed to be given are fair and reasonable to the Company and meets all those requirements of section 44 of the Companies Act which it is required to meet in order to authorise the Company to provide such financial assistance."

Reason for and effect of special resolution number 3

This special resolution is proposed in order to comply with the requirements of section 44 of the Companies Act which provides that financial assistance as contemplated must be approved by a special resolution of the holders, adopted within the previous 2 (two) years.

The effect of this special resolution will be to facilitate the effective day-to-day operations within the Nampak Group, to facilitate black economic empowerment transactions and enable the existing share schemes to be implemented and administered.

12. Special resolution number 4 – general authority to repurchase the Company's ordinary shares

The holders are requested to:

"Authorise the board, as it in its discretion deems fit, but subject to compliance with the MOI, section 48 of the Companies Act and the Listings Requirements applicable to the Company, to approve the general repurchase by the Company or purchase by any of its subsidiaries, ("Repurchase") of any of the Company's ordinary shares provided that:

- (i) the number of shares acquired in any one financial year shall not exceed 10% (ten per cent) of the ordinary shares in issue at the date on which this resolution is passed;
- (ii) a decision by the board involving the repurchase of more than 5% (five per cent) of the issued ordinary shares will be subject to the requirements of sections 114 and 115 of the Companies Act;
- (iii) no voting rights attached to the Company's ordinary shares repurchased by a subsidiary of the Company may be exercised while ordinary shares are held by that subsidiary, whilst it remains a subsidiary of the Company;
- (iv) this authority shall lapse on the earlier of the date of the next annual general meeting of the Company or 15 (fifteen) months after the date on which this special resolution is passed;
- (v) any repurchase may not be made at a price greater than 10% (ten per cent) above the weighted average of the market value of the ordinary shares for the 5 (five) business days immediately preceding the date on which the repurchase transaction is effected;
- (vi) the repurchase of shares may not be effected during a prohibited period, (as defined in paragraph 3.67 of the JSE Listings Requirements), unless a repurchase programme is in place and full details of the repurchase programme have been submitted to the JSE in writing prior to the commencement of the prohibited period. In such event, the Company must instruct only one independent third party, which makes its investment decisions in relation to the Company's ordinary shares independently of, and uninfluenced by, the Company, prior to the commencement of the prohibited period to execute the repurchase programme;

- (vii) the repurchase must be effected through the order book operated by the JSE trading system and done without any prior understanding or arrangement between the Company and the counterparty (reported trades are prohibited);
- (viii) such details as may be required in terms of the Listings Requirements are announced when the Company or its subsidiaries have cumulatively repurchased 3% of the initial number of ordinary shares in issue at the time that the general authority is granted and for each 3% in aggregate of the initial number of ordinary shares acquired thereafter;
- (ix) at any point in time, the Company may only appoint one agent to effect any repurchase(s) on its behalf;
- (x) a board resolution confirming that it has authorised the repurchase and that the Company and its subsidiaries have passed the solvency and liquidity test and that since the test was performed there have been no material changes to the financial position of the group; and
- (xi) the general authority granted to the board may be varied or revoked, by special resolution, at any time prior to the next annual general meeting of the Company."

Reason and effect of special resolution number 4

In terms of paragraph 5.72(c) of the Listings Requirements, a special resolution is required to approve a general repurchase by the Company of its securities. In terms of the Companies Act, the board must make a determination to acquire its securities only if it reasonably appears that the Company will satisfy the solvency and liquidity test immediately after completing the proposed acquisition.

The reason and effect for this special resolution is to grant the Company a general authority to allow it or any of its subsidiaries, if the board of the Company deems it appropriate in the interests of the Company, to repurchase or acquire on the JSE, ordinary shares up to a maximum of 10% (ten per cent) issued by the Company subject to the restrictions contained in the above special resolution.

Statement of intent

This authority will only be used if the circumstances are appropriate and ordinary shares will be purchased on the JSE. The directors, after considering the effect of the repurchase, are of the opinion that for a period of 12 months after the date of this notice:

- (i) the Company and the group will be able to pay its debts;
- (ii) recognised and measured in accordance with the accounting policies used in the latest audited annual group financial statements, the assets of the Company and the group will be in excess of the liabilities of the Company and the group;
- (iii) the share capital and reserves of the Company and the group will be adequate for ordinary purposes;
- (iv) the working capital of the Company and the group will be adequate for ordinary business purposes; and
- (v) a resolution being passed by the board that it had authorised the repurchase, that the Company and its subsidiaries have passed the solvency and liquidity test and that since the test was performed there have been no material changes to the financial position of the group.

For the purpose of considering special resolution number 4 and in compliance with paragraph 11.26 of the Listings Requirements, the following general information is included in the annual financial statements and integrated report:

- (i) Major shareholders as at 30 September 2023 (page 117 of the annual financial statements);
- (ii) There have been no material changes in the financial or trading position of the Company and its subsidiaries between the date of publication of the financial results for the financial year ended 30 September 2023 and the date of this notice;
- (iii) Share capital of the Company as at 30 September 2023 (pages 16 and 96 of the annual financial statements).

The directors whose names appear on pages 58 to 60 of the integrated report, collectively and individually accept full responsibility for the accuracy of the information relating to this special resolution and certify that, to the best of their knowledge and belief, there are no other facts that have been omitted which would make any statement false or misleading, and that they have made all reasonable enquiries to ascertain such facts and that this special resolution contains all information required by law and the Listings Requirements.

13. Special resolution number 5 – Company acquiring the Company's shares from a director or prescribed officer

The holders are requested to:

"Resolve that, when any general repurchase by the Company of its shares takes place in accordance with special resolution number 4, the board is authorised, as required by section 48(8)(a) of the Companies Act, to approve the purchase by the Company of its issued shares from a director and/or a prescribed officer of the Company, and/or person related to a director or prescribed officer of the Company, subject to the provisions of the MOI, the Companies Act, and the Listings Requirements."

Reason and effect of special resolution number 5

This resolution is proposed in order to enable the board, from the date of passing of this special resolution until the date of the next annual general meeting of the Company, (such resolution not to be valid for a period greater than 15 (fifteen) months from the date of the passing of this special resolution number 5), to approve the acquisition by the Company of its shares from a director and/or a prescribed officer of the Company, and/or a person related to any of them when a general repurchase by the Company of the Company's shares takes place in accordance with special resolution number 4.

Section 48(8)(a) of the Companies Act provides, amongst others, that a decision by the board to acquire shares of the Company from a director or prescribed officer of the Company, or a person related to a director or prescribed officer of the Company must be approved by a special resolution of the shareholders of the Company. When a general repurchase by the Company of the Company's shares takes place, the Company may inadvertently acquire shares from a director and/or a prescribed officer of the Company, and/or a person related to a director or prescribed officer of the Company and such repurchase must, in terms of the Companies Act, be approved by a special resolution of the shareholders.

In terms of the Companies Act, the board must make a determination for the Company to acquire securities issued by the Company only if it reasonably appears that the Company will satisfy the solvency and liquidity test immediately after completing the proposed acquisition.

Notice of annual general meeting continued

The board has no specific intention of acquiring shares from a director and/or a prescribed officer of the Company, and/or any person related to them. The authority is intended to provide for instances where shares are inadvertently acquired from directors and/or prescribed officers and/or persons related to any of them during the execution of a general share repurchase programme in accordance with the authority provided for in special resolution number 4 above.

By order of the board

O Pillay

Company secretary

14 December 2023

Nampak Limited

Nampak House

Hampton Office Park

20 Georgian Crescent East

Bryanston, Sandton, 2191

Republic of South Africa

Notes to the notice of annual general meeting

Identification, voting and proxies

1. Shareholders with "own-name" registration who are unable to participate at the annual general meeting and who wish to be represented at the annual general meeting, must complete and return the attached proxy form in accordance with the instructions contained in Notes to form of proxy hereunder.
2. In compliance with the provisions of section 58(8) (b)(i) of the Companies Act, a summary of the rights of a shareholder to be represented by proxy, as set out in section 58 of the Companies Act, is set out below:
 - (i) A shareholder entitled to attend and vote at the annual general meeting may appoint one or more individuals, who need not be shareholders of the Company, concurrently as proxies and may appoint more than one proxy to attend, participate in and exercise voting rights attached to different securities held by such shareholder.
 - (ii) A proxy appointment must be in writing, dated and signed by the shareholder appointing a proxy, and, subject to the rights of a shareholder to revoke such appointment (as set out below), remains valid until the end of the meeting.
 - (iii) A proxy may delegate the proxy's authority to act on behalf of a shareholder to another person, subject to any restrictions set out in the instrument appointing the proxy.
 - (iv) The appointment of a proxy is suspended at any time, and to the extent that the shareholder who appointed such proxy chooses to act directly and in person in the exercise of any rights as a shareholder.
 - (v) The appointment of a proxy is revocable by the shareholder in question cancelling it in writing and delivering a copy of the revocation instrument to the proxy and to the Company before the proxy exercises any rights of the shareholder at the annual general meeting on Thursday, 15 February 2024 at 14:00 or any adjournment thereof. The revocation of a proxy appointment constitutes a complete and final cancellation of the proxy's authority to act on behalf of the shareholder as of the later of:
 - (a) the date stated in the revocation instrument, if any, and
 - (b) the date on which the revocation instrument is delivered to the Company as required in the first sentence of this paragraph.
 - (vi) If the instrument appointing the proxy has been delivered to the Company, as long as that appointment remains in effect, any notice that is required by the Companies Act or the MOI to be delivered by the Company to the shareholder, must be delivered by the Company to:
 - (a) the shareholder or
 - (b) the proxy, if the shareholder has:
 - (i) directed the Company to do so in writing and
 - (ii) paid any reasonable fee charged by the Company for doing so.
 - (vii) Attention is also drawn to the notes to the form of proxy. The completion of a form of proxy does not preclude any shareholder from attending the annual general meeting.
3. In terms of section 63(1) of the Companies Act, before any person attends or participates in the annual general meeting, that person must present reasonably satisfactory identification and the person presiding at the meeting must be reasonably satisfied that the right of that person to participate in and vote (whether as a shareholder or as a proxy) has been reasonably verified. Without limiting the generality hereof, the company will accept a valid South African identity document, a valid driver's licence or a valid passport as satisfactory identification.
4. Shareholders present in person, by proxy or by authorised representative shall, have one vote each and, on a poll, have one vote in respect of each share held.
5. Shareholders holding dematerialised shares, but not in their own name, must furnish their central securities depository participant (CSDP) or broker with their instructions for voting at the annual general meeting. If your CSDP or broker, as the case may be, does not obtain instructions from you, it will be obliged to act in accordance with the agreed default position or your most recent mandate furnished to it.

6. If you wish to attend the annual general meeting or send a proxy, you must request your CSDP or broker to issue the necessary letter of authority to you.
7. If you have disposed of all of your Nampak securities, this document should be handed to the purchaser of such securities or to the broker, CSDP, banker, attorney, accountant or other person through whom the disposal was effected.
8. If you are in any doubt as to what action you should take arising from this document, please immediately consult your broker, CSDP, banker, attorney, accountant or other appropriate professional advisor.
9. The Company does not accept responsibility and will not be liable for any failure on the part of the broker, CSD Participant, banker, attorney, accountant or other appropriate professional advisor of any holder of dematerialised securities to notify the holder thereof of the contents of this document.
 - (ii) written notice referred to above must contain:
 - › a certified copy of your or your proxy's(ies) South African identity document(s) or passport if you or your proxy(ies) is an individual;
 - › a certified copy of a resolution or letter of representation/proxy given by you if you are a company or other juristic person and a certified copy of the identity documents or passports of the persons who passed the relevant resolution. The authorising resolution must set out who is authorised to represent you at the annual general meeting by means of teleconference facilities if you are a company or other juristic person; and
 - › your valid email address and/or facsimile number and/or telephone number.
 - (iii) The company shall notify you, if you have delivered a valid written notice, by no later than 24 (twenty four) hours before the annual general meeting of the relevant dial-in details as well as the passcode through which you or your proxy(ies) can participate via the teleconference facilities and of the process for participation.

Electronic participation

10. In accordance with sections 61(10) and 63(3) of the Companies Act, you or your proxy(ies), may participate in the annual general meeting by electronic means. Teleconference facilities will be available for this purpose, and may be accessed at your cost, for the duration of the annual general meeting, subject to the arrangements in respect of identification and practicality as referred to below:
 - (i) In order for Nampak to arrange teleconferencing, holders must deliver written notice to Computershare Investor Services (Pty) Limited by no later than 14:00 on Tuesday, 13 February 2024 to indicate that they wish to participate by means of electronic communication at the annual general meeting.
11. Voting while participating in the annual general meeting by way of electronic communication will not be possible via electronic facilities and shareholders wishing to vote their shares will need to be represented at the meeting either in person, by proxy or by letter of representation, as provided for in the notice of the meeting.
12. Should you or your proxy(ies) wish to participate in the annual general meeting by way of electronic communication as aforesaid, you or your proxy(ies) will be required to dial in with the details provided by the company as referred to above by not later than 15 minutes prior to the commencement of the annual general meeting, during which time registration will take place.

Form of proxy

For the 56th annual general meeting

Nampak Limited ("Nampak" or "the Company")

Incorporated in the Republic of South Africa | Registration number: 1968/008070/06 | Share code: NPK | ISIN: ZAE000322095

Shareholders are advised that the Company has appointed Computershare Investor Services (Pty) Ltd as its proxy solicitation agent. If you are a Nampak shareholder entitled to attend and vote at the annual general meeting you can appoint a proxy to attend, participate in, speak and vote in your stead. You must complete and return this form of proxy, in accordance with the instructions contained herein, to Computershare Investor Services (Pty) Ltd, to be received by them on or before 14:00 on Tuesday, 13 February 2024 or alternatively the form of proxy can be handed in before the relevant resolution on which the proxy is to vote, is considered at the annual general meeting.

This proxy form is for use by certificated shareholders and dematerialised shareholders with "own-name" registration as at the record date for the annual general meeting. If you are a Nampak shareholder and have dematerialised your share certificate through a CSDP (and have not selected "own name" registration in the sub-register maintained by a CSDP), **do not** complete this form of proxy but instruct your CSDP to issue you with the necessary letter of representation to attend the annual general meeting, or if you do not wish to attend, provide your CSDP with your voting instructions in terms of your custody agreement entered into with them.

I/We _____ (full names in BLOCK LETTERS please) of

(address) _____

telephone (work) _____ (home) _____ cellphone number _____

email address _____

being the holder(s) of _____ shares in the Company, hereby appoint (see note 2):

- _____ or failing him/her
- the chairman of the meeting as my/our proxy to attend, participate in and speak and, on a poll, to vote or abstain from voting on my/our behalf at the annual general meeting of the Company to be held at the Terraces at the Vineyard Hotel, 60 Colinton Road, Newlands, Cape Town, 7700 on Thursday, 15 February 2024 at 14:00 or at any adjournment thereof as follows:

Insert an "x" or the number of voting rights held in the Company (see note 3)	Number of voting rights		
	For	Against	Abstain
3. Re-election of retiring directors			
3.1 Ordinary resolution number 1: KW Mzondeki			
4. Election of new directors			
4.1 Ordinary resolution number 2: A van der Veen			
4.2 Ordinary resolution number 3: PM Roux			
4.2 Ordinary resolution number 4: PJ Mnisi			
4.2 Ordinary resolution number 5: N Siyotula			
5. Ordinary resolution number 6: Appointment of external auditors			
6. Appointment of members of the Audit and Risk Committee			
6.1 Ordinary resolution number 7: Appointment of N Khan			
6.2 Ordinary resolution number 8: Appointment of KW Mzondeki			
6.3 Ordinary resolution number 9: Appointment of SP Ridley			
6.4 Ordinary resolution number 10: Appointment of PJ Mnisi			
6.5 Ordinary resolution number 11: Appointment of N Siyotula			
7. Non-binding advisory vote: Remuneration policy of the Company			
8. Non-binding advisory vote: Implementation report of the Company's remuneration policy			
9. Ordinary resolution number 12: Approval of general issue of shares for cash			
10. Special resolution number 1: Approval of non-executive directors' remuneration			
11. Financial assistance			
11.1 Special resolution number 2: authority to the Company to provide financial assistance in terms of section 45 of the Companies Act			
11.2 Special resolution number 3: authority to the Company to provide financial assistance in terms of section 44 of the Companies Act			
12. Special resolution number 4: General authority to repurchase the Company's ordinary shares			
13. Special resolution number 5: Company acquiring the Company's shares from a director or prescribed officer			

My/our proxy/ies may (subject to any restriction set out herein)/may not delegate the proxies authority to act on behalf of me/us to another person (delete as appropriate). This form of proxy will lapse and cease to be of force and effect immediately after the annual general meeting of the Company to be held at the Terraces at the Vineyard Hotel, 60 Colinton Road, Newlands, Cape Town, 7700 on 15 February 2024 at 14:00 or any adjournment(s) thereof, unless it is revoked earlier.

Signed at _____ on _____ 20 _____

Signature _____

Notes to form of proxy

1. Each holder entitled to attend and vote at the meeting is entitled to appoint one or more proxies (none of whom need be a shareholder of the Company) to attend, participate in, speak and vote or abstain from voting in the place of that holder at the meeting.
2. A holder may insert the name of a proxy, or alternative proxies of the holder's choice in the space provided, with or without deleting the words "the chairman of the meeting". Any such deletion must be initialled by the holder. The person whose name appears first on this form of proxy and who is present at the annual general meeting will be entitled to act as proxy to the exclusion of those whose names follow.
3. A holder's instructions to the proxy must be indicated by the insertion of an "X" or the insertion of the relevant percentage of voting rights exercisable by that holder in the appropriate space provided. If you fail to comply with the above, you would be deemed to have authorised the proxy to vote or abstain from voting at the meeting, as he/she deems fit, in respect of all the holder's voting rights exercisable thereat, but where the proxy is the chairman, failure to comply will be deemed to authorise the proxy to vote in favour of the resolution.
4. A holder or his/her proxy is not obliged to use all the voting rights exercisable by the holder or by his/her proxy, but the total of the voting rights cast and in respect whereof abstention is recorded, may not exceed the total of the voting rights exercisable by the holder or by his/her proxy.
5. A holder's authorisation to the proxy, including the chairman of the meeting, to vote on his/her behalf, shall be deemed to include the authority to vote on procedural matters at the meeting.
6. The completion and lodging of this form of proxy will not preclude the holder from attending, participating in, and voting in person at the meeting to the exclusion of any proxy appointed in terms hereof, should such holder wish to do so.
7. In case of joint holders, the vote of the most senior who tenders a vote, whether in person or by proxy, will be accepted to the exclusion of the votes of the other joint holders, for which purpose seniority will be determined by the order in which the names appear on the Company's register of shareholders in respect of the joint holding.
8. Proxy appointments must be in writing, dated and signed by the holder. Documentary evidence establishing the authority of a person signing this form of proxy in a representative capacity must be attached to this form of proxy. Without limiting the generality hereof, the Company will accept a valid identity document, a valid driver's licence or a valid passport as satisfactory identification.
9. Any alteration or correction to this form of proxy must be initialled by the signatory/ies.
10. A holder may revoke the proxy appointment by cancelling it in writing and delivering a copy of the revocation instrument to the proxy/ies and to the Company, to be received before the proxy exercises any rights of the holder at the annual general meeting on Thursday, 15 February 2024 at 14:00 or adjournment thereof.
11. The revocation of a proxy appointment constitutes a complete and final cancellation of the proxy's/ proxies' authority to act on behalf of the shareholder as of the later of (i) the date stated in the revocation instrument, if any; or (ii) the date on which the revocation instrument was delivered as required in note 10 above.
12. Proxy forms should be lodged with, or mailed to Computershare Investor Services Proprietary Limited (Rosebank Towers, 15 Biermann Avenue, Rosebank, 2196 or Private Bag X9000, Saxonwold, 2132) or emailed to **proxy@computershare.co.za** to be received by no later than 14:00 on Tuesday, 13 February 2024 (or 48 hours before any adjournment of the annual general meeting, which date, if necessary, will be notified on SENS and in the press). Proxies may be submitted after this time via email at **proxy@computershare.co.za** at any time prior to the proxy exercising any rights of the shareholder at the annual general meeting, subject to the transfer secretary verifying the proxy form and proof of identification before shareholder rights are exercised at the annual general meeting (or any adjournment thereof).
13. Please note that the reason why holders are asked to send in their form of proxy before the meeting is because the scrutineers must consider each proxy to determine whether it is validly given and whether the voting rights have been correctly inserted. Significant delays could be caused at the annual general meeting if these checks have to be carried out by the scrutineers while the annual general meeting is in progress.

Glossary

B-BBEE

Broad-based black economic empowerment

CAGR

Compound annual growth rate

Capex

Capital expenditure

CDP

Formerly Carbon Disclosure Project

COVID-19

Novel coronavirus

CSD

Carbonated soft drinks

DBP

Deferred bonus plan

DRC

Democratic Republic of the Congo

EBITDA

Earnings before interest, taxation, depreciation and amortisation

EPS

Earnings per share

ESG

Environmental, social and governance issues

FMCG

Fast-moving consumer goods

GDP

Gross domestic product

GEC

Group executive committee

GHG

Greenhouse gas

GRI

Global Reporting Initiative

HDPE

High-density polyethylene

HEPS

Headline earnings per share

HLPS

Headline loss per share

IFRS

International Financial Reporting Standards

IIRC

International Integrated Reporting Council

IOM

Isle of Man

IMS

Information Management Services

ISO

International Organisation for Standardisation

IT

Information technology

Just transition

This refers to social interventions to secure workers' rights and livelihoods when economies are shifting production to combat climate change.

KPI

Key performance indicator

LTI

Long-term incentive

LTIFR

Lost-time injury frequency rate: the rate of occurrence of workplace incidents that result in an employee's inability to work the next full work shift; the number of such injuries that occur within a given period relative to the total number of hours worked in the same accounting period.

MTI

Medium-term incentive

NAFEX

Nigerian Autonomous Foreign Exchange Rate

NIL

Nampak International Limited

OHSAS

Occupational Health and Safety Assessment Series

PET

Polyethylene terephthalate

POPIA

Protection of Personal Information Act

PRMA

Post-retirement medical aid

PRO

Producer responsibility organisations

PSP

Performance share plan

R&D

Research and development

RBZ

Reserve Bank of Zimbabwe

rHDPE

Recycled HDPE

ROE

Return on equity

RONA

Return on net assets

rPET

Recycled polyethylene terephthalate

SAP

Share appreciation plan

SDG

United Nations' Sustainable Development Goals

SKU

Stock-keeping unit

STI

Short-term incentive

UHT

Ultra-high temperature milk

VPN

Virtual private network

WACC

Weighted average cost of capital

Corporate information

Business address and registered office

Nampak House

Hampton Office Park
20 Georgian Crescent East
Bryanston, 2191, South Africa

PO Box 69983, Bryanston, 2021

T +27 719 6300

www.nampak.com

Auditors

Deloitte & Touche

5 Magwa Crescent
Waterfall City, 2090, South Africa

Private Bag X6, Woodmead, 2052
South Africa

Company secretary

Omeshnee Pillay

T +27 11 719 6475

E Omeshnee.pillay@nampak.com

Sponsor

PSG Capital (Pty) Ltd

1st Floor, Ou Kollege
35 Kerk Street
Stellenbosch, 7600, South Africa

And

Suite 1105, 11th Floor
Sandton Eye Building, 126 West Street
Sandton, 2196, South Africa

PO Box 7403, Stellenbosch, 7599

Share registrar

Computershare Investor Services (Pty) Ltd

Rosebank Towers
15 Biermann Avenue, Rosebank, 2196

Private Bag X9000, Saxonwold, 2132

T +27 11 370 5000

F +27 11 688 5200

Shareholder hotline

T +27 11 373 0033

Smart number +27 80 000 6497

F +27 11 688 5217

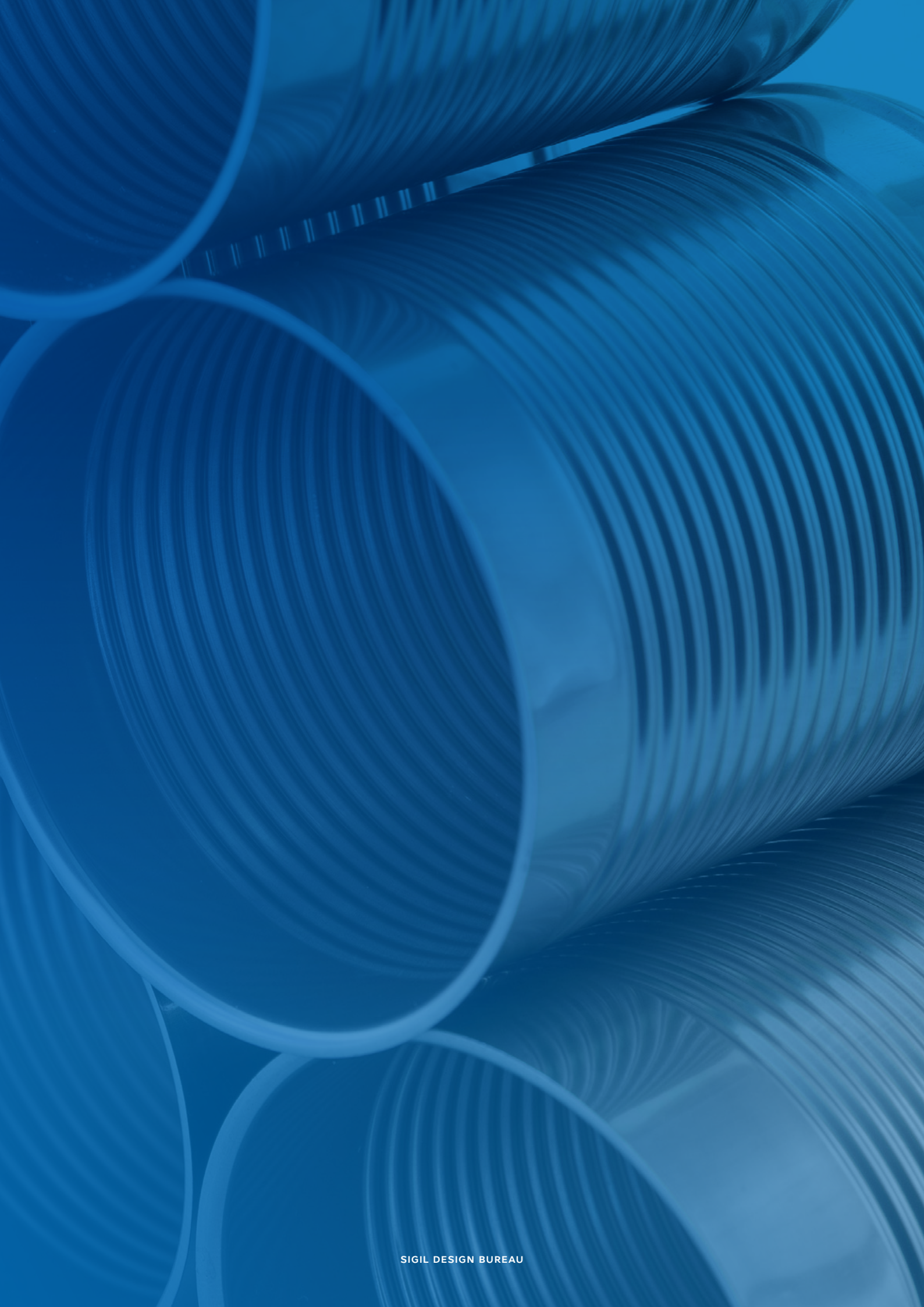
E web.queries@computershare.co.za

Investor relations

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