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2025

AUDITED ANNUAL FINANCIAL STATEMENTS

Company registration Number: 2004/025229/06

for the year ended 31 December 2025

Contents

Directors' responsibility statement and basis of preparation

The Directors are responsible for preparing the annual financial statements in accordance with applicable laws and regulations.

These annual financial statements have been prepared using accounting policies compliant with IFRS® Accounting Standards, the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and Financial Reporting Pronouncements as issued by the Financial Reporting Standards Council and are in compliance with the Companies Act, 2008 of South Africa.

The preparation of these annual financial statements for the year ended 31 December 2025 was supervised by the Chief Financial Officer ("CFO"), JJ Snyman CA(SA).

In preparing the annual financial statements, International Accounting Standard 1, 'Presentation of Financial Statements', requires that the Directors:

- select and apply accounting policies;
- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- provide additional disclosure when compliance with the specific requirements in IFRS® Accounting Standards are insufficient to enable users to understand the impact of particular transactions, other events and conditions on the entity's financial position and financial performance; and
- make an assessment of Mpact Limited's ("Mpact") ability to continue as a going concern.

Approval of the annual financial statements

The Directors confirm that the annual financial statements are prepared in accordance with IFRS® Accounting Standards, the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and Financial Reporting Pronouncements as issued by the Financial Reporting Standards Council, and the requirements of the Companies Act of South Africa, fairly present the assets, liabilities, financial position and profit of Mpact.

The Directors believe that Mpact has adequate resources to continue in operation for the foreseeable future and the financial statements have therefore been prepared on a going concern basis.

The report of the Directors, which appears on **pages 8 to 11**, annual financial statements and related notes, which appear on **pages 18 to 41** were approved and authorised for issue by the Board of Directors on 5 March 2026 and were signed on its behalf by:

PCS Luthuli
Chairman

BW Strong
Chief Executive Officer

Certificate by Group Company Secretary

In terms of section 88(2)(e) of the Companies Act, I certify that Mpact Limited has lodged with the Companies and Intellectual Property Commission all such returns and notices as are required of a company in terms of the Act, and that such returns are true, correct and up to date.

M Vermeulen
CorpStat Governance Services Proprietary Limited
Group Company Secretary

5 March 2026

Chief Executive Officer and Chief Financial Officer Responsibility Statement

In compliance with paragraph 5.9 of the JSE Limited Listings Requirements, the CEO and CFO, whose names are stated below, after due, careful and proper consideration hereby confirm that:

- The annual financial statements set out on **pages 8 to 41**, fairly present in all material respects the financial position, financial performance and cash flows of Mpact in terms of IFRS® Accounting Standards;
- To the best of our knowledge and belief, no facts have been omitted or untrue statements made that would make the annual financial statements of Mpact false or misleading;
- Internal financial controls have been put in place to ensure that material information relating to Mpact, and its consolidated subsidiaries has been provided to effectively prepare the financial statements of Mpact;
- The internal financial controls are adequate and effective and can be relied upon in compiling the annual financial statements, and we have fulfilled our role and function as Executive Directors with primary responsibility for implementation and execution of controls;
- Where we are not satisfied, we have disclosed to the Audit and Risk Committee and the auditors any deficiencies in the design and operational effectiveness of the internal financial controls and have taken steps to remedy the deficiencies; and
- We are not aware of any fraud involving Directors.

BW Strong
Chief Executive Officer

JJ Snyman
Chief Financial Officer

5 March 2026

Independent auditor's report

To the shareholders of Mpact Limited

Report on the audit of the separate financial statements

Our opinion

In our opinion, the separate financial statements present fairly, in all material respects, the separate financial position of Mpact Limited (the Company) as at 31 December 2025, and its separate financial performance and its separate cash flows for the year then ended in accordance with IFRS Accounting Standards and the requirements of the Companies Act of South Africa.

What we have audited

Mpact Limited's separate financial statements set out on pages 18 to 41 comprise:

- the separate statement of financial position as at 31 December 2025;
- the separate statement of profit or loss and other comprehensive income for the year then ended;
- the separate statement of changes in equity for the year then ended;
- the separate statement of cash flows for the year then ended; and
- the notes to the financial statements, including material accounting policy information.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the separate financial statements* section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Company in accordance with the Independent Regulatory Board for Auditors' *Code of Professional Conduct for Registered Auditors* (IRBA Code), as applicable to audits of financial statements of public interest entities, and other independence requirements applicable to performing audits of financial statements in South Africa. We have fulfilled our other ethical responsibilities in

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Chief Executive Officer: L S Machaba
The Company's principal place of business is at 4 Lisbon Lane, Waterfall City, Jukskei View, where a list of directors' names is available for inspection.
Reg. no. 1998/012055/21, VAT reg.no. 4950174682

www.pwc.co.za

accordance with the IRBA Code and in accordance with other ethical requirements applicable to performing audits in South Africa. The IRBA Code is consistent with the corresponding sections of the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)*.

Our audit approach

Overview

Final materiality	R70.1 million, which represents 1% of total assets.
Key audit matters	Not applicable

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the separate financial statements. In particular, we considered where the directors made subjective judgements; for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits, we also addressed the risk of management override of internal controls, including among other matters, consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

In terms of the IRBA Rule on Enhanced Auditor Reporting for the Audit of Financial Statements of Public Interest Entities, published in Government Gazette Number 49309 dated 15 September 2023 (EAR Rule), we report final materiality below.

Final materiality

The scope of our audit was influenced by our application of materiality. An audit is designed to obtain reasonable assurance whether the separate financial statements are free from material misstatement. Misstatements may arise due to fraud or error. They are considered material if individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the separate financial statements.

Based on our professional judgement, we determined certain quantitative thresholds for materiality, including the final materiality for the separate financial statements as a whole as set out in the table below. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures and to evaluate the effect of misstatements, both individually and in aggregate on the separate financial statements as a whole.

	Separate financial statements
Final materiality	R70.1 million
How we determined it	1% of total assets.
Rationale for the materiality benchmark applied	We chose total assets as the benchmark because, in our view, it is the benchmark against which the performance of the Company is most commonly measured by users, and is a generally accepted benchmark. We chose 1% which is consistent with quantitative materiality thresholds used for investment holding companies.

Key audit matters

We have determined that there are no key audit matters to communicate in our report.

Other information

The directors are responsible for the other information. The other information comprises the information included in the document(s) titled "Mpact Limited Audited Annual Financial Statements for the year ended 31 December 2025" and the document titled “Mpact Limited Group Audited Consolidated Annual Financial Statements for the year ended 31 December 2025", which includes the Report of the Directors, the Audit and Risk Committee Report and the Certificate by Group Company Secretary as required by the Companies Act of South Africa, which we obtained prior to the date of this auditor’s report, and the document titled "Mpact 2025 Integrated Report", which is expected to be made available to us after that date. The other information does not include the consolidated or the separate financial statements and our auditor’s reports thereon.

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

In connection with our audit of the separate financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the separate financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditor’s report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the directors for the separate financial statements

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

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

Auditor's responsibilities for the audit of the separate financial statements

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

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

- Identify and assess the risks of material misstatement of the separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor’s report to the related disclosures in the separate financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor’s report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the separate financial statements, including the disclosures, and whether the separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

Report on other legal and regulatory requirements

Audit tenure

In terms of the IRBA Rule published in Government Gazette Number 39475 dated 4 December 2015, we report that PricewaterhouseCoopers Inc. has been the auditor of Mpact Limited for three years.

PricewaterhouseCoopers Inc.

PricewaterhouseCoopers Inc.
Director: S Bootha
Registered Auditor
Johannesburg, South Africa
6 March 2026

Report of the Directors

The Directors have pleasure in presenting their report on the annual financial statements of Mpact Limited ("Mpact") for the year ended 31 December 2025.

Nature of business

Mpact is a holding company for local and foreign investments and properties occupied mainly by group companies. The principal activities of Mpact remain unchanged from the previous year.

Mpact is incorporated in the Republic of South Africa and is listed on the Johannesburg Stock Exchange (JSE) and has a secondary listing on A2X.

Financial results

Mpact's profit for the year ended 31 December 2025 was R51.1 million (2024: R252.3 million). Full details of the financial position and results are set out in the accompanying annual financial statements.

Stated capital

The authorised share capital is 217,500,000 ordinary shares of no-par value.

On 31 December 2025 the issued share capital of Mpact was 149,453,688 ordinary shares of no-par value (2024: 149,453,688 ordinary shares of no-par value). Treasury shares amounted to 2,238,819 (2024: 2,046,850).

Mpact Incentive Scheme Trust held 1,839,275 (2024: 2,046,850) treasury shares and Mpact funded Standard Bank Equities to purchase a further 399,544 shares under an escrow arrangement for the Mpact Share Plan. These shares are held as share awards under the Group's share incentive scheme. Refer to note 15 of annual financial statements.

Dividends

Notice is hereby given that the Board has declared a final gross cash dividend of 30 cents for the year ended 31 December 2025 (24 cents net of dividend withholding tax) per ordinary share. The dividend has been declared from income reserves. A dividend withholding tax of 20% will be applicable to all shareholders who are not exempt. The company's total number of issued ordinary shares as at dividend declaration date is 149,453,688. Mpact's income tax reference number is 9003862175.

The Board of Directors are satisfied that the liquidity and solvency of the company, as well as capital remaining after payment of the dividend is sufficient to support the current operations and to facilitate future development of the business in the year ahead.

Salient dates with regard to the ordinary dividend

Publication of dividend declaration	Monday, 9 March 2026
Last date of trade to receive a dividend	Tuesday, 7 April 2026
Shares commence trade ex-dividend	Wednesday, 8 April 2026
Record date	Friday, 10 April 2026
Payment date	Monday, 13 April 2026

All times provided are South African local times. The above dates and times are subject to change. Any material change will be announced on SENS.

Share certificates may not be dematerialised or rematerialised between Wednesday, 8 April 2026 and Friday, 10 April 2026, both days inclusive.

Register of shareholders

The register of shareholders of Mpact is open for inspection during normal office hours, at the office of Mpact's transfer secretaries, JSE Investor Services Proprietary Limited.

Investment property

At 31 December 2025, the net investment in property amounted to R939.0 million (2024: R921.4 million), details of which are set out in note 7 to the annual financial statements. Capital commitments at year-end amounted to R58.2 million (2024: Rnil million), set out in note 19.

Directors

The following Directors have held office during the year ended 31 December 2025 and to the date of this report:

PCS Luthuli (Chairman)	Independent Non-executive
ABA Conrad	Independent Non-executive
FC Futwa	Independent Non-executive
M Makanjee	Independent Non-executive
CD Raphiri	Independent Non-executive (appointed on 15 September 2025)
S Mayet	Independent Non-executive (appointed on 10 April 2025)
AJ Phillips	Independent Non-executive (retired on 29 May 2025)
DG Wilson	Independent Non-executive
BW Strong (Chief Executive Officer)	Executive
JJ Snyman (Chief Financial Officer)	Executive

Company Secretary

M Vermeulen representing CorpStat Governance Services Proprietary Limited.

CorpStat Governance Services Proprietary Limited was appointed on 1 February 2026 following the resignation of D Dickson (resigned 31 January 2026).

Registered office
4th Floor
3 Melrose Boulevard
Melrose Arch, 2196

Sponsor

The Standard Bank of South Africa Limited

Auditor

PricewaterhouseCoopers Inc. (PwC) is the appointed auditor to Mpact, with S Bootha the designated auditor.

Financial assistance by mpact limited

During the current financial year, Mpact Limited provided financial assistance as per section 45 of the Companies Act to Mpact Operations Proprietary Limited. Mpact Limited stands as a guarantor and pledged certain assets, namely, property, cash and other receivables, as security for the bank facilities of Mpact Operations Proprietary Limited. Based on management's assessment, it is considered unlikely that Mpact Operations Proprietary Limited will default on its bank covenants and/or repayment terms.

Details of subsidiaries are included in the interest in subsidiaries, set out in note 27.

Audit and Risk Committee

The Audit and Risk Committee ("the Committee") operates on a Group-wide basis. The Committee, in terms of the Companies Act of South Africa, King IV™ and JSE Listings Requirements has the responsibility, among other things, for monitoring the integrity of Mpact's financial statements. It also has the responsibility for reviewing the effectiveness of Mpact's system of internal controls and risk management systems. An internal audit function has been established which is responsible for advising the Board of Directors on the effectiveness of Mpact's risk management processes.

The Committee oversees the relationship with the external auditor; is responsible for their appointment and remuneration; reviews the effectiveness of the external audit process; and ensures that the objectivity and independence of the external auditor is maintained.

In collaboration with the internal and external auditor, a combined assurance map was developed.

The Committee has concluded that it is satisfied that auditor independence and objectivity has been maintained. The comprehensive report of the Committee is included on **pages 12 to 17**.

Going concern

The annual financial statements have been prepared on the basis of accounting policies applicable to a going concern. During the year the company made a profit of R51.1 million (2024: R252.3 million). Profit decreased in the current year as Mpact did not receive dividend income from Mpact Operations Proprietary Limited (refer to note 2).

Current liabilities exceeded current assets due to inter-group creditors outstanding at 31 December 2025. The creditors were subsequently paid in January 2026. Based on the 2026 plan and the undrawn loan facility from a subsidiary, Mpact is considered solvent and liquid.

The Directors are of the view that the company is able to trade as a going concern and is able to settle its current liabilities as they occur during the normal course of business over the next 12 months.

Events occurring after the reporting date

On 5 March 2026, the Board declared an ordinary dividend of 30 cents per share payable on 13 April 2026 to shareholders registered on 10 April 2026.

There were no other significant or material subsequent events which would require adjustment to or disclosure in the annual financial statements.

Interest of Directors and Prescribed Officers in share capital

The aggregate beneficial holdings as at 31 December 2025 and 31 December 2024 of the Directors and Prescribed Officers of Mpact in the issued ordinary shares of Mpact are detailed below. There have been no changes in these shareholdings between 31 December 2025 and 5 March 2026, the date of approval.

	2025 Direct number of shares	**2025 Indirect number of shares**	**2025 Restricted number of shares**	2024 Direct number of shares	2024 Indirect number of shares
Executive Director					
BW Strong	**1,332,164**	**–**	**37,028**	1,254,632	–
JJ Snyman	**–**	**7,350**	**17,541**	–	7,350
Non-executive Director					
AJ Phillips (retired on 29 May 2025)	**–**	**–**	**–**	8,914	1,516
Total	**1,332,164**	**7,350**	**54,569**	1,263,546	8,866

There are no associate interests for the above Directors. The restricted shares relates to the forfeitable Deferred Share Awards.

Major shareholders

(5% and more of the shares in issue)

	Number of shares	**% of total issued share capital**
31 December 2025		
Caxton and CTP Publishers and Printers Limited	**52,062,123**	**34.83**
Gayatri Paper Mills Gauteng Proprietary Limited	**17,201,245**	**11.51**
Mirabaud & Cie SA	**7,724,208**	**5.17**
M & G Investments	**7,519,903**	**5.03**

	Number of shares	% of total issued share capital
31 December 2024		
Caxton and CTP Publishers and Printers Limited	50,299,943	33.66
Gayatri Paper Mills Gauteng Proprietary Limited	15,991,213	10.70
Old Mutual Group	9,621,384	6.44
Mirabaud & Cie SA	7,724,208	5.17
M & G Investments	7,581,003	5.07

	Number of shareholdings	% of total shareholdings	Number of shares	% of issued capital
31 December 2025 shareholder type				
Non-public shareholders	**12**	**0.26**	**4,773,366**	**3.19**
Share schemes	**1**	**0.02**	**1,839,275**	**1.23**
Directors and Prescribed Officers: Unrestricted shareholdings[1]	**5**	**0.11**	**2,766,638**	**1.85**
Directors and Prescribed Officers: Restricted shareholdings[1]	**5**	**0.11**	**160,103**	**0.11**
Directors: Indirect shareholdings	**1**	**0.02**	**7,350**	**–**
Public shareholders	**4,529**	**99.74**	**144,680,322**	**96.81**
Total	**4,541**	**100.00**	**149,453,688**	**100.00**
31 December 2024 shareholder type				
Non-public shareholders	9	0.19	5,334,168	3.57
Share schemes	1	0.02	2,046,850	1.37
Directors and Prescribed Officers: Unrestricted shareholdings[1]	5	0.11	2,737,446	1.83
Directors: Indirect shareholdings	3	0.06	549,872	0.37
Public shareholders	4,663	99.81	144,119,520	96.43
Total	4,672	100.00	149,453,688	100.00

1. Includes shares held by the Directors of Mpact Operations Proprietary Limited.

Audit and Risk Committee Report

I am pleased to present this report on behalf of the Audit and Risk Committee (Committee), which provides an overview of the areas of focus for the Committee during the year ended 31 December 2025, as well as its key activities and the framework within which it operates in compliance with section 94(7) of the Companies Act.

Introduction

The Committee's main objectives are to provide independent oversight on the adequacy and efficiency of accounting policies, internal controls and financial reporting processes of the Group. In addition, the Committee assesses the effectiveness of the internal audit function and the independence and effectiveness of the external auditor, while also considering and recommending the appointment of the external auditor.

The Committee acts for Mpact and all its subsidiaries, and is an independent body accountable to the Board. It operates within a documented charter and complies with all relevant legislation, regulation and governance codes and executes its duties in terms of the requirements of King IV™. The Committee's terms of reference were approved by the Board during the current financial year and are reviewed annually.

Composition

The Committee currently comprise of Saleh Mayet, Fikile Futwa and Donald Wilson, all of whom are independent Non-Executive Directors and collectively possess the appropriate financial skills, expertise and experience required to discharge their duties. On 5 June 2025, Saleh Mayet was appointed as a member and the Chairman of the Committee. Saleh is a Chartered Accountant with well over four decades of finance and governance experience, making him well placed to contribute positively to the functioning of the Committee. In May 2025, Sibusiso Luthuli was appointed as the Chairman of the Board and subsequently resigned as the interim Chairman and a member of the Committee. The CEO, the CFO, the Chief Information Officer (CIO), the external ICT advisor, the Group Risk and Sustainability Manager, representatives of KPMG, the independent Internal Auditor, and representatives of PwC, the independent External Auditor, and other senior managers attend meetings by invitation.

The Committee members are appointed annually by the shareholders at the Annual General Meeting.

Meetings

The Committee held a total of four meetings during the year.

Name	Member since	Meetings Attended
Sibusiso Luthuli*	December 2018	2/4
Fikile Futwa	May 2024	4/4
Donald Wilson	January 2022	4/4
Saleh Mayet	June 2025	2/4

* *Resigned as an Audit and Risk Committee member in June 2025.*

Committee activities

The Committee attended to the following matters during the year:

External auditors

The Committee reviewed the independence of PwC as Mpact's external auditors, for the financial year ended 31 December 2025. The Committee considered the suitability of PwC as external auditor, with Saffiyah Bootha as the independent individual registered auditor, by reviewing all information as required by section 5.7(h)(iii) of the JSE Listings Requirements in assessing PwC's independence, registration as a Registered Auditor and the ability to perform a quality audit of Mpact. The Committee held at least one meeting with PwC without management present, and the Committee chairman also engaged regularly with the PwC engagement partner.

After considering the factors below and the auditor's tenure, the Committee is satisfied that PwC is independent of Mpact.

Independence of external auditors

This assessment was made after considering the following:

- confirmation from the external auditors that they, or their immediate family, do not hold any direct or indirect financial interest or have any material business relationship with Mpact. The external auditors also confirmed that they have internal monitoring procedures to ensure their independence;
- the auditors do not, other than in their capacity as external auditors or rendering permitted non-audit services, receive any remuneration or other benefits from Mpact;
- the auditor's independence was not impaired by the non-audit work performed having regard to the nature of the non-audit work undertaken and the quantum of the non-audit fees relative to the total fee base;
- the auditor's independence was not prejudiced as a result of any previous appointment as auditor. In addition, an audit partner rotation process is in place in accordance with the relevant legal and regulatory requirements;
- the criteria specified for independence by the Independent Regulatory Board for Auditors (IRBA); and
- the audit firm and the designated auditor accreditation with the JSE.

The Committee confirms that the external auditor has functioned in accordance with its terms of reference for the 2025 financial year.

External auditors' fees

The Committee:

- approved, in consultation with management, the audit fee and engagement terms for the external auditors for the 2025 financial year;
- reviewed and approved the non-audit services fees for the year under review and ensured that the fees were in line with the non-audit service policy; and
- determined the nature and extent of allowable non-audit services and approved the contract terms for the provision of non-audit services through the Audit Committee charter.

	2025 R'm	2024 R'm
Audit-related services	**15.7**	14.4
Non-audited related services	**0.1**	0.1
	15.8	14.5

External auditors' performance

The Committee:

- reviewed and approved the external audit plan, ensuring that material risk areas were included and that coverage of the significant business processes was acceptable;
- monitored the effectiveness of the external auditors in terms of audit quality and expertise; and
- reviewed and discussed the external audit reports and management's response and considered their effect on the financial statements and internal financial control.

Financial statements

The Committee reviewed the interim results and year-end consolidated annual financial statements, the public announcements of Mpact's financial results and made recommendations to the Board for their approval. In the course of its review, the Committee:

- took appropriate steps to ensure that the financial statements were prepared in accordance with IFRS;
- considered the appropriateness of accounting policies and disclosures made;
- approved Group financial reporting procedures in accordance with the JSE Listings Requirements;
- considered and approved accounting policy changes resulting from the application of new standards commencing 1 January 2025;
- completed a detailed review of the going concern assumption, confirming that it was appropriate in the preparation of the financial statements, which includes reviews of solvency and liquidity tests for the year under review;
- ensured that appropriate financial reporting procedures are established and operating for all entities included in the Group's consolidated annual financial statements;
- considered the accounting treatment related to the recognition of deferred tax assets, including the potential utilisation of assessed tax losses; and
- considered the accounting and taxation implications for all restructurings, acquisitions and disposals.

Proactive monitoring

The Audit and Risk Committee hereby confirms that the findings contained in the JSE Proactive Monitoring reports, thematic reviews and common findings reports, were taken into account when preparing the consolidated and separate annual financial statements, as well as the preliminary summarised consolidated annual financial statements for the year ended 31 December 2025.

Significant matters

The figures disclosed in the annual financial statements in certain circumstances are arrived at using judgement. These are explained in detail in the accounting policies. The Committee has considered the qualitative and quantitative aspects of the information presented in the statement of financial position and other items that require significant judgement.

Internal audit

The Committee:

- reviewed and approved the existing internal audit charter, which ensures that Mpact's internal audit function is independent and has the necessary resources, standing and authority within the organisation to enable it to discharge its duties;
- satisfied itself of the credibility, independence and objectivity of the internal audit function;
- ensured that internal audit had direct access to the Committee, primarily through the Committee's Chairman;
- reviewed and approved the annual internal audit plan, ensuring that material risk areas were included and that the coverage of significant business processes was acceptable;
- reviewed the quarterly internal audit reports, covering the effectiveness of internal controls and material non-compliance with Mpact's policies and procedures. The Committee is advised of all internal control developments and any material losses;
- considered and reviewed with management and internal auditors, any significant findings and management responses thereto in relation to reliable financial reporting, corporate governance and effective internal control to ensure appropriate action is taken; and
- considered the assessment from the internal audit function regarding the effectiveness of Mpact's system of internal controls and confirmed that based on their results of work undertaken, they provided reasonable assurance regarding adequacy and effectiveness of systems of internal control.

The Committee has reviewed the independence of KPMG and the Chief Audit Executive as Mpact's internal auditor and is satisfied with their independence and the performance of the Chief Audit Executive. The Committee satisfied itself that the internal audit function was independent and had the necessary resources and technical skills to discharge its duties. Furthermore, the Committee confirmed that, in executing the current financial year's audit plan, there had been no impairments to the objectivity, independence and scope of the internal audit function, which remained effective in carrying out its duties. In addition, the Committee is similarly satisfied that the Chief Audit Executive has the appropriate expertise and experience to fulfil her role and execute her responsibilities.

Internal financial control and compliance

The Committee:

- reviewed and approved the existing treasury policy and reviewed the quarterly treasury reports prepared by management;
- reviewed the quarterly legal and regulatory reports setting out the latest legislative and regulatory developments impacting Mpact;
- reviewed the quarterly report on taxation;
- reviewed IT reports; and
- considered and, where appropriate, made recommendations on internal financial controls.

Internal financial reporting control

The Committee reviewed the internal financial control statement made by the CEO and CFO in terms of paragraph 5.9 of the JSE Listings Requirements. This paragraph requires a statement by the CEO and CFO to confirm that the internal financial controls are in place to ensure that material information has been provided to effectively prepare the consolidated annual financial statements.

Internal financial reporting risks were identified and documented across key reporting processes as well as at a business unit level.

The Committee assessed the CEO and CFO evaluation of controls which included:

- the identification and classification of risks;
- testing the design and determining the implementation of controls addressing high and low risk areas;
- utilising internal audit to test the operating effectiveness of controls addressing high risk areas; and
- obtaining control declarations from divisional managers on the operating effectiveness of all controls on an annual basis.

The Committee is satisfied that the internal financial controls are adequate and effective to assist in compiling the consolidated annual financial statements. Where deficiencies in design and operational effectiveness of the internal financial controls have been noted, necessary remedial actions have been taken. The Committee is satisfied that none of these deficiencies had a material effect for the purposes of the preparation and presentation of the consolidated annual financial statements for the year ended 31 December 2025.

The Group's management team remains committed to ongoing improvements ensuring that the control environment remains sound for reliable consolidated annual financial statements and safeguarding of the Group's assets.

Risk management

The Board, through the Committee, governs risk in a way that supports the organisation in setting and achieving its strategic objectives and sets the direction for how risk should be approached and addressed in the organisation. The Committee reviews and approves the Risk Management Committee Terms of Reference on an annual basis and delegates to management the responsibility to implement and execute effective risk management. Management is regularly developing and enhancing Mpact's risk and control procedures to improve the mechanisms for identifying, assessing and monitoring risks given that effective risk management is integral to Mpact's objective of consistently adding value to its businesses. The Committee approves policies that articulate and give effect to ongoing oversight of risk management.

Risk management is addressed in the areas of business risks, physical and operational risks, human resource risks, technology risks, business continuity and disaster recovery risks, credit and market risks and compliance risks.

Mpact has implemented several policies and procedures to manage its governance, operations and information systems with regard to the:

- reliability, security and integrity of financial and operational information;
- effectiveness and efficiency of operations;
- safeguarding of people and assets;
- reducing of our environmental footprint, and
- compliance with laws, regulations and contracts.

A Risk Management Committee identifies and evaluates strategic and operational risks against 10 value drivers of:

- achieving operational, profitability and liquidity objectives;
- protecting our reputation, public image (ethics, environment, customer safety) and CSI initiatives;
- ensuring compliance with legislation and contractual terms;
- developing a motivated workforce;
- achieving the Group's strategy;
- providing safe and healthy operating conditions;
- managing environmentally responsible operations;
- achieving growth objectives;
- building effective commercial stakeholder relations; and
- ensuring accurate and timely reporting.

The Committee assessed the effectiveness of the controls and determined how well management perceived the identified controls. The Likelihood rating tables and Potential Loss Impact Rating were reviewed and approved. The Risk Management Review is available on the website, **www.mpact.co.za**.

IT governance

The Board has approved an ICT governance policy and ensures adherence to the King IV™ IT governance principles. The ICT Steering Committee, chaired by the CEO, provides assurance to the Committee and the Board of Directors regarding ICT governance-related matters. The Committee reviews and approves the ICT Steering Committee Terms of Reference on an annual basis and delegates to management the responsibility to implement and execute effective technology and information management. This gives guidance to the ICT management team and ensures effective and efficient management of all ICT resources.

The ICT governance framework, with all relevant structures, processes and mechanisms enable ICT to deliver value to the business and mitigate ICT risks. ICT risks that have been identified are incorporated into the organisational risk register, and managed through the Risk Management Committee.

An external ICT advisor has been appointed to provide the Committee and Board of Directors with assurance on the effectiveness of ICT internal controls, including outsourced ICT services. In addition, the ICT advisor is required to join the ICT Steering Committee to give guidance on the alignment of the ICT strategy with the business strategy. This includes, but is not limited to, expressing an opinion on emerging technology trends and their rate of adoption and implementation by various business sectors. ICT maturity assessments are concluded by the advisor periodically to highlight areas of improvement and opportunities for further development in ICT. This is reported on by the ICT advisor to the Committee.

The ICT Steering Committee is satisfied that the resource capacity within the ICT function is adequate to provide the necessary support and growth to Mpact. In making these assessments, the Committee has obtained feedback from the external and internal auditors.

The Committee considered the impact of significant ICT governance matters on the Group as part of its oversight responsibilities under the Group's broader risk management framework. The Committee is satisfied that appropriate ICT governance processes, controls, and policies are in place and effective. In fulfilling its oversight role, the Committee undertook the following:

- Assessed the effectiveness of risk identification and mitigation processes relating to IT and fraud, including the implementation of relevant controls by discussing these with the external ICT advisor;
- Reviewed the Group's cybersecurity standards in light of emerging cyber threats and regulatory developments by discussing these with the ICT advisor;
- Ensured that formalised disaster recovery plans are in place to minimise disruptions in the event of a disaster by discussing these with the CIO and ICT advisor;
- Ensured that information governance processes are in place to manage personal data in compliance with privacy legislation, and to protect the Group's intellectual property embedded in its systems.

The Committee was satisfied that no significant matters were identified through the ICT governance processes and controls that may adversely impact the audited consolidated financial statements.

Legal and regulatory requirements

The Committee considered the impact of potential significant matters on the audited consolidated and separate annual financial statements by:

- Reviewing and discussing legal matters as presented to the Committee at its scheduled meetings;
- Assessing the adequacy and effectiveness of the Group's processes, including its risk management framework, to ensure compliance with legal and regulatory responsibilities;
- Monitoring complaints received through the Group's anonymous whistleblowing service and how they were resolved; and
- Reviewing the reports provided by senior management, internal and external audit regarding compliance with legal and regulatory requirements.

The Committee was satisfied that no significant matters were identified that may adversely impact the audited consolidated and separate annual financial statements.

Combined assurance

The Group's combined assurance process provides a coordinated Group-wide approach to risk management. The Committee has reviewed the combined assurance process in the context of King IV™ and is satisfied that it is appropriate, complete, and effective in addressing the risks identified in the business. The assessments include considering the outcomes of the reviews performed by management, the Risk Committee and various assurance providers. The combined assurance process allows for three lines of defence to mitigate the risks identified, which include:

- Management assurance, which is responsible for the identification and management of risks in line with the agreed risk policies, appetite and tolerance levels, and controls at an operational level;
- Risk Committee functions which are responsible for overseeing and monitoring various risks and developing appropriate tools, and effectively managing these risks; and
- Assurance providers and internal auditors who provide oversight and independent assurance on the adequacy and effectiveness of the controls implemented.

The Committee has reviewed the results of the Group's compliance with internal policies and procedures and assessed the adequacy and effectiveness of internal controls. The Committee has assessed the quality of the financial information produced to ensure reliability and integrity. The Committee satisfied itself that the level of unmitigated risk (both individually and in totality) is within the risk appetite of the Group and that there is sufficient assurance provided to manage risk and the control environment through both internal and external assurance providers.

Integrated report

The Committee fulfils an oversight role regarding the Integrated Report and the financial reporting process. As part of this role, it considers the Integrated Report and its consistency with operational, financial and other information known to the Committee members, as well as consistency with the consolidated annual financial statements. The Committee also considers input from the Chairs of other committees.

Governance

The Board of Directors has assigned oversight of the risk management function to the Committee, which has an oversight role with respect to financial reporting risks arising from internal financial controls, fraud and IT risks.

In line with the terms of the JSE Listings Requirements, the Committee is satisfied that JJ Snyman CA(SA) has the appropriate expertise and experience to meet the responsibilities of his appointed position as CFO as required by the JSE. The Committee is also satisfied:

- that the resources within the finance function are adequate to provide the necessary support to the CFO; and
- with the expertise and experience of the Group Financial Controller.

In making these assessments, the Committee has obtained feedback from the external and internal auditors.

Based on the processes and assurances obtained, the Committee believes that the accounting practices are effective.

Mpact continues to use the services of Deloitte & Touche to provide an independent "Tip-offs anonymous" hotline. All incidents reported are investigated and appropriate action taken in terms of the relevant policies and disciplinary procedures. These reports are reviewed by the Committee as presented at its meeting.

Key focus areas for 2026

Although the Committee will adhere to the approved charter and handle all mandated matters, the following areas will receive special attention:

- Financial Reporting Integrity & Controls: Ensuring accuracy in financial statements, particularly regarding significant judgements, impairment, and revenue recognition;
- ESG & Regulatory Compliance: Monitoring evolving ESG (Environmental, Social, and Governance) reporting requirements;
- Cybersecurity and Data Privacy: Focusing on cyber incident response plans, data privacy, and related disclosures;
- Internal Audit and Controls: Evaluating the effectiveness of internal control systems and ensuring timely remediation of deficiencies;
- Proactively monitor upcoming changes to the IFRS Accounting Standards and assess their impact on the Group's operations and financial reporting; and
- Adoption of King V™, superseding King IV™ and introducing enhanced governance and accountability requirements.

Assurance

The performance of the Committee and its members is reviewed every two years, as part of the effectiveness review performed by the Board. The latest review concluded that the Committee continued to operate effectively and had successfully discharged its duties and responsibilities.

The Committee confirms that they were prudent in exercising their duties of care and skill and they have taken reasonable steps to ensure that they performed their duties in accordance with the mandate of the Committee.

On behalf of the Audit and Risk Committee

S Mayet
Audit and Risk Committee Chairman

5 March 2026

Statement of Profit or Loss and Other Comprehensive Income

for the year ended 31 December 2025

	Notes	2025 R'm	2024 R'm
Revenue	2	**157.0**	369.1
Operating expenses		**(33.8)**	(44.7)
Depreciation		**(50.7)**	(48.2)
Operating profit	3	**72.5**	276.2
Interest income	4	**3.1**	2.8
Finance costs	5	**(3.1)**	(13.3)
Profit before tax		**72.5**	265.7
Tax expense	6	**(21.4)**	(13.4)
Profit for the year		**51.1**	252.3
Total comprehensive income for the year		**51.1**	252.3

Statement of Financial Position

as at 31 December 2025

	Notes	2025 R'm	2024 R'm
ASSETS			
Investment property	7	**939.0**	921.4
Investments in subsidiaries	8	**5,980.3**	5,980.3
Investment in the Mpact share incentive trust	9	**39.6**	46.5
Non-current assets		**6,958.9**	6,948.2
Other receivables	11	**25.6**	32.4
Current tax receivables		**4.4**	–
Cash and cash equivalents	12	**20.6**	78.3
Current assets		**50.6**	110.7
Total assets		**7,009.5**	7,058.9
EQUITY AND LIABILITIES			
Capital and reserves			
Stated capital	15	**2,360.9**	2,360.9
Retained earnings		**4,526.9**	4,632.1
Reserves		**(3.1)**	17.9
Total equity		**6,884.7**	7,010.9
Loan from a subsidiary	13	**25.1**	–
Deferred tax liabilities	10	**23.5**	16.1
Non-current liabilities		**48.6**	16.1
Trade and other payables	14	**76.2**	30.6
Current tax liabilities		**–**	1.3
Current liabilities		**76.2**	31.9
Total liabilities		**124.8**	48.0
Total equity and liabilities		**7,009.5**	7,058.9

Statement of Cash Flows

for the year ended 31 December 2025

	Notes	2025 R'm	2024 R'm
Cash flows from operating activities			
Operating cash flows before movements in working capital		**119.5**	131.9
Net decrease/(increase) in working capital		**2.9**	(2.2)
Cash generated from operations	16	**122.4**	129.7
Dividend received		**–**	200.0
Taxation (paid)/refund	17	**(19.9)**	6.3
Net cash inflows from operating activities		**102.5**	336.0
Cash flows from investing activities			
Additions to investment property	7	**(40.0)**	(29.0)
Proceeds from the disposal of investment property		**22.5**	–
Additional share purchased in foreign subsidiary		**–**	(0.9)
Interest received	4	**3.1**	2.8
Contributions to the share incentive trust		**(0.9)**	(16.3)
Net cash outflows from investing activities		**(15.3)**	(43.4)
Cash flows from financing activities			
Loan raised from subsidiary	18	**44.5**	182.0
Repayment of loan from subsidiary	18	**(22.5)**	(256.5)
Finance costs paid		**–**	(13.3)
Purchase of treasury shares		**(10.1)**	–
Dividends paid to equity holders of Mpact Limited		**(156.8)**	(156.9)
Net cash outflows from financing activities		**(144.9)**	(244.7)
Net (decrease)/increase in cash and cash equivalents		**(57.7)**	47.9
Net cash and cash equivalents at the beginning of the year		**78.3**	30.4
Net cash and cash equivalents at the end of the year	12	**20.6**	78.3

Statement of Changes in Equity

for the year ended 31 December 2025

	Stated capital R'm	Share-based payment reserve R'm	Treasury shares R'm	Retained earnings R'm	Total equity R'm
Balance at 1 January 2024	2,360.9	24.4	–	4,542.5	6,927.8
Total comprehensive income for the year	–	–	–	252.3	252.3
Dividend paid[1]	–	–	–	(156.9)	(156.9)
Share plan charges for the year (refer to note 21)	–	7.5	–	–	7.5
Vesting of shares under employee share scheme	–	(14.0)	–	(5.8)	(19.8)
Balance at 31 December 2024	2,360.9	17.9	–	4,632.1	7,010.9
Total comprehensive income for the year	**–**	**–**	**–**	**51.1**	**51.1**
Dividend paid[1]	**–**	**–**	**–**	**(156.8)**	**(156.8)**
Purchase of treasury shares[2]	**–**	**–**	**(10.1)**	**–**	**(10.1)**
Reversal of share plan charges for the year (refer to note 21)	**–**	**(2.2)**	**–**	**–**	**(2.2)**
Vesting of shares under employee share scheme	**–**	**(8.7)**	**–**	**0.5**	**(8.2)**
Balance at 31 December 2025	**2,360.9**	**7.0**	**(10.1)**	**4,526.9**	**6,884.7**

1. *The dividend paid was 105c per share (2024: 105c per share).*
2. *Mpact Limited funded Standard Bank Equities to purchase shares relating to the forfeitable Deferred Share Awards (refer to note 21 for the Mpact Share Plans). These shares are restricted until vesting and are held in an escrow account.*

Notes to the annual financial statements

for the year ended 31 December 2025

1. Accounting policies

Basis of preparation

These annual financial statements have been prepared using accounting policies compliant with IFRS® Accounting Standards as issued by the International Accounting Standards Board (IASB), the SAICA Financial Reporting Guide as issued by the Accounting Practices Committee and the Financial Reporting Pronouncements as issued by the Financial Reporting Standards Council, the JSE Limited's Listings Requirements, and the requirements of the Companies Act of South Africa. The annual financial statements have been prepared on the historical cost basis, except for derivative financial instruments. The annual financial statements have been prepared on a going concern basis. Management has considered the impact of climate change in preparing these annual financial statements, and while these considerations did not have a material impact on the estimates, this may change in future periods as management evolves its understanding of climate change-related impacts on Mpact. The annual financial statements are presented in South African Rand, which is Mpact's functional and presentation currency. All financial information presented in South African Rand has been rounded off to the nearest million. Mpact is regarded as an individual segment and therefore no segmental disclosure is required.

The basis of preparation is consistent with the prior year, except for new and revised standards adopted to the annual financial statements. Mpact is incorporated and domiciled in South Africa and the registered office is located at 4th Floor, 3 Melrose Boulevard, Melrose Arch, 2196.

New accounting policies, early adoption and future requirements

Amendment to published Standards and Interpretations that are effective and have been adopted during 2025

- **IAS 21: Lack of exchangeability (effective 1 January 2025)**

  The amendment to IAS 21 specifies how to assess whether a currency is exchangeable and how to determine the exchange rate.

  This amendment did not have an impact on the financial statements on adoption.

Amendments to published Standards and Interpretations that are not yet effective and have not been early adopted

The following published amendments are not yet effective. Mpact will adopt these once they are effective.

- **IFRS 9 and IFRS 7: Classification and Measurement of Financial Instruments (effective 1 January 2026)**

  The amendments provide clarity as follows:
  - the requirements for the timing of recognition and derecognition of some financial assets and liabilities, with a new exception for some financial liabilities settled through an electronic cash transfer system;
  - clarify and add further guidance for assessing whether a financial asset meets the solely payments of principal and interest (SPPI) criterion;
  - add new disclosures for certain instruments with contractual terms that can change cash flows (such as some instruments with features linked to the achievement of environment, social and governance (ESG) targets); and
  - make updates to the disclosures for equity instruments designated at Fair Value through Other Comprehensive Income (FVOCI).

  Mpact is currently working to identify the impact of IFRS 9 and IFRS 7 amendments on the financial statements.

- **IFRS 9 and IFRS 7: Contracts Referencing Nature-dependent Electricity (effective 1 January 2026)**

  The amendments apply only to contracts that reference nature-dependent electricity; the amendments clarify:
  - the application of the 'own-use' requirements for in-scope contracts;
  - the designation requirements for a hedged item in a cash flow hedging relationship for in-scope contracts; and
  - adds new disclosure requirements to enable investors to understand the effect of these contracts on a company's financial performance and cash flows.

The amendments are not expected to have a material impact on the financial statements.

- **Annual Improvements to IFRS Accounting Standards (effective 1 January 2026)**

  The IASB issued scope amendments as part of its periodic maintenance of IFRS accounting standards. The amendments include clarifications, simplifications, corrections or changes to improve consistency in IFRS 1: First-time Adoption of International Financial Reporting Standards, IFRS 7: Financial instruments: Disclosure and its accompanying Guidance on implementing IFRS 7, IFRS 9: Financial Instruments, IFRS 10: Consolidated Financial Statements and IAS 7: Statements of Cash Flows.

The improvements are not expected to have a material impact on the financial statements.

1. Accounting policies *(continued)*

- **IFRS 18: Presentation and Disclosure in Financial Statements (effective 1 January 2027)**

  IFRS 18 introduces new requirements for presentation within the statement of profit or loss. Mpact is required to classify all income and expenses within the statement of profit or loss into one of five categories: operating, investing, financing, income taxes and discontinued operations.

  It also requires disclosure of management-defined performance measures, subtotals of income and expenses, and includes new requirements for aggregation and disaggregation of financial information based on the identified 'roles' of the primary financial statements (PFS) and the notes.

  Mpact is in the process of evaluating the potential impact of IFRS 18 on its financial reporting and does not intend to early adopt the standard.

2. Revenue

Rental income

Revenue is derived principally as a result of properties under operating leases. Mpact recognises lease payments received under operating leases as income on a straight-line basis over the lease term.

A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership of the underlying asset. In making this assessment, Mpact considers ownership transfers, lease term and present value of lease payments and if the building is of a specialised nature.

Dividend income

Dividend income from investments is recognised when Mpact's right to receive payment has been established.

Management fee income

Management fees are recognised as revenue when the related management services are rendered. Revenue is measured at the fair value of the consideration received or receivable. The transaction price is determined on a cost-recovery basis and recognised over time as services are provided. All amounts are presented net of value-added taxation.

	2025 R'm	2024 R'm
Rental income	**144.2**	142.6
Management fee income[1]	**12.8**	26.5
Dividend income[2]	**–**	200.0
	157.0	369.1

1. *Recovery of costs charged to Group subsidiaries.*
2. *Received from Mpact Operations Proprietary Limited.*

3. Operating profit

Operating profit for the year has been arrived at after charging/(crediting):

	2025 R'm	2024 R'm
Depreciation of investment property (refer to note 7)	**50.7**	48.2
Property expenses	**4.8**	7.9
Professional fees	**6.7**	6.4
Audit fees – PwC	**4.3**	3.3
Share-based payments expense (reversal)/charge	**(2.2)**	7.5
Profit on disposal of investment property	**(1.5)**	–
Executive Directors' short-term benefits (excluding value of deferred bonus shares awarded)	**13.9**	15.1
Executive Directors' post-employment benefits (excluding value of deferred bonus shares awarded)	**0.5**	0.6

4. Interest income

Interest income, which is derived from cash and cash equivalents and is accrued on a time proportion basis by reference to the principal outstanding and at the effective interest rate applicable.

	2025 R'm	2024 R'm
Bank deposits	**3.1**	2.3
Interest from SARS	**–**	0.5
Total interest income	**3.1**	2.8

5. Finance costs

Finance costs consist of interest expense on a loan from a subsidiary and is recognised using the effective interest method.

	2025 R'm	2024 R'm
Finance costs on loan from subsidiary	**(3.1)**	(13.3)
Total finance costs	**(3.1)**	(13.3)

6. Tax expense

The current tax expense is calculated on the taxable profit for the year using tax rates that have been enacted or substantively enacted at the reporting date.

Deferred taxation

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit and is accounted for using the liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. The carrying amount of deferred tax assets is reviewed at each reporting date and is adjusted to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the year when the liability is settled or the asset is realised. Deferred tax is charged or credited in the statement of profit or loss and other comprehensive income, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also taken directly to equity.

	2025 R'm	2024 R'm
Analysis of tax charge for the year		
South African corporate tax		
– current year	**(16.3)**	(21.1)
– prior year[1]	**–**	26.4
Current tax	**(16.3)**	5.3
Deferred tax in respect of the current year	**(5.1)**	0.6
Deferred tax in respect of the prior year[2]	**–**	(19.3)
Total tax charge	**(21.4)**	(13.4)

1. *The prior year relates to s12BA tax allowances claimed on submission of tax return.*
2. *The prior year relates to the change in the tax value of plant and equipment as a consequence of the above tax allowances claimed.*

Factors affecting tax charge for the year

Mpact's effective rate of tax for the year ended 31 December 2025, calculated on profit before tax is 29.5% (2024: 5.0%).

6. Tax expense *(continued)*

Mpact's total tax charge for the year can be reconciled to the tax on Mpact's profit before tax at the South African corporate tax rate of 27% (2024: 27%) as follows:

	2025 R'm	2024 R'm
Profit before tax	**72.5**	265.7
Tax on profit before tax calculated at the South African corporation tax rate	**(19.6)**	(71.7)
Tax effects of:		
Non-taxable income		
Dividend income	**–**	54.0
Expenses not deductible for tax purposes		
Legal and professional costs	**(0.2)**	(0.8)
Non-deductible expenses attributable to exempt income	**(0.2)**	(2.0)
Temporary difference adjustments		
Non-deductible scrapping loss	**(1.4)**	–
Prior year adjustment on current tax	**–**	26.4
Prior year adjustment on deferred tax	**–**	(19.3)
Tax charge for the year	**(21.4)**	(13.4)

7. Investment property

Investment properties are held to earn rental and/or for capital appreciation. Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are measured at cost less accumulated depreciation.

Depreciation is charged so as to write off the cost of assets, other than land and assets in the course of construction, using the straight-line method over their estimated useful lives to their estimated residual values. Assets capitalised under buildings are expected to have useful lives ranging from three to thirty five years.

At each reporting date, Mpact reviews the carrying amounts to determine whether there is any indication that the investment properties are impaired. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment. Where the underlying circumstances change such that a previously recognised impairment subsequently reverses, the carrying amount is increased to the revised estimate of its recoverable amount. Such reversal is limited to the carrying amount that would have been determined had no impairment been recognised for the asset in prior years.

Residual values and useful lives are reviewed at least annually.

	Land and buildings R'm	**Assets in the course of construction R'm**	**Total R'm**
2025			
Cost			
1 January	**1,177.3**	**5.6**	**1,182.9**
Additions	**–**	**89.3**	**89.3**
Disposals	**(30.4)**	**–**	**(30.4)**
Transfer to/from assets in the course of construction	**45.5**	**(45.5)**	**–**
31 December	**1,192.4**	**49.4**	**1,241.8**
Accumulated depreciation			
1 January	**261.5**	**–**	**261.5**
Disposals	**(9.4)**	**–**	**(9.4)**
Depreciation	**50.7**	**–**	**50.7**
31 December	**302.8**	**–**	**302.8**
Net book value at 31 December 2025	**889.6**	**49.4**	**939.0**

7. Investment property *(continued)*

	Land and buildings R'm	Assets in the course of construction R'm	Total R'm
2024			
Cost			
1 January	1,128.6	25.3	1,153.9
Additions	–	29.0	29.0
Transfer to/from assets in the course of construction	48.7	(48.7)	–
31 December	1,177.3	5.6	1,182.9
Accumulated depreciation			
1 January	213.3	–	213.3
Depreciation	48.2	–	48.2
31 December	261.5	–	261.5
Net book value at 31 December 2024	915.8	5.6	921.4

Direct operating expenses arising from investment properties that generated rental income amounted to R4.8 million (2024: R7.9 million) and was recognised in the statement of profit or loss. Lessees are responsible for maintaining the leased properties.

The fair value of the investment properties is R1,178.7 million (2024: R1,081.6 million), measured by an independent valuator. The investment properties are considered to be level 3 according to the fair value hierarchy. The inputs used by the independent valuator in determining the fair value according to the net annual income capitalisation approach were as follows:

- a market rental rate per square metre in the area the properties are located,
- direct operating expenses,
- vacancy factor,
- a capitalisation rate. This rate is at which similar assets have traded recently and is influenced by rates of return on comparable properties; risk; obsolescence; inflation on gross market rental growth rate; rates of return on alternative investments; mortgage rates and property expenditure.

Financial guarantee

Certain land and buildings with a carrying value of R237.9 million (2024: R233.0 million) and a fair value of R414.9 million (2024: R381.8 million), representing Mpact's maximum exposure on credit risk, are pledged as security for bank loans related to Mpact Operations Proprietary Limited and may be called on event of default. It is unlikely that Mpact Operations Proprietary Limited would default on its bank covenants and repayments.

A register of land and buildings is open for inspection upon prior arrangement at the registered office of Mpact.

8. Investment in subsidiaries

Investments in subsidiaries are carried at cost and are adjusted for any impairment losses. An equity instrument is any contract which evidences a residual interest in the net assets of an entity.

Unlisted	Country of incorporation	2025 R'm	2024 R'm
Mpact Operations Proprietary Limited	South Africa	**5,955.9**	5,955.9
Mpact Namibia Proprietary Limited	Namibia	**22.6**	22.6
Embalagens Mpact LDA	Mozambique	**1.8**	1.8
		5,980.3	5,980.3

Refer to the interest in subsidiaries on note 27 for details of the investment in subsidiary companies. The investment in Mpact Operations Proprietary Limited is pledged as security in respect of the bank loans of Mpact Operations Proprietary Limited.

8. Investment in subsidiaries *(continued)*

Investments key assumptions

Investments were assessed for impairment by comparing the recoverable amounts of the cash-generating units (CGUs) to their carrying values. The assessment applied a pre-tax discount rate of 14.6%, post-tax discount rate of 11.20%, alongside a growth rate of 4.2%, with the terminal value also projected at 4.2%. The results confirmed that sufficient headroom exists.

9. Investment in share trust

	2025 R'm	2024 R'm
Carrying value in share trust	**39.6**	46.5

Mpact Limited funds the Share Incentive Trust through capital contributions.

10. Deferred tax

	2025 R'm	2024 R'm
Deferred tax asset		
Opening balance	**–**	6.4
Reclassification	**–**	(6.4)
	–	–
Deferred tax liabilities		
Opening balance	**(16.1)**	–
Charged to statement of profit or loss	**(5.1)**	(18.7)
Charge to equity	**(2.3)**	(3.8)
Reclassification	**–**	6.4
	(23.5)	(16.1)
The amount of deferred taxation provided in the accounts is presented as follows:		
Deferred tax liabilities		
Capital allowances	**(21.8)**	(16.7)
Smoothing asset	**(4.2)**	(5.6)
Provisions and other temporary differences	**2.5**	6.2
	(23.5)	(16.1)

Mpact has applied the exception from recognising and disclosing deferred tax related to Pillar Two income taxes. Mpact will continue to monitor legislative developments and will update its disclosures once relevant jurisdictions enact the applicable rule.

11. Other receivables

	2025 R'm	2024 R'm
Related party receivables	**2.9**	2.2
Lease smoothing asset	**15.6**	20.6
Sundry receivables	**7.1**	9.6
	25.6	32.4

The fair values of other receivables approximate the carrying values presented. Other receivables are considered to have a low credit risk as the other debtors have the future capacity to meet their contractual cash flow obligations. Mpact had considered the above based on past experience and current conditions and therefore did not raise any expected credit losses in the current and prior financial year.

Certain other receivables are pledged as security for bank loans related to Mpact Operations (Proprietary) Limited.

12. Cash and cash equivalents

	2025 R'm	2024 R'm
Consist of cash at bank	**20.6**	78.3
	20.6	78.3

There are no expected credit losses on cash and cash equivalents due to them held at reputable banks.

Cash and each equivalents are pledged as security for bank loans related to Mpact Operations (Proprietary) Limited.

13. Loan from subsidiary

	2025 R'm	2024 R'm
Mpact Operations Proprietary Limited	**25.1**	–
	25.1	–

Interest on the loan is incurred at prime plus 2% and is repayable on notice of 367 days. The loan is unsecured and has a limit of R400 million.

14. Trade and other payables

	2025 R'm	2024 R'm
External trade payables	**13.5**	10.9
Related parties trade payables	**49.7**	6.4
Other payables and accruals	**13.0**	13.3
	76.2	30.6

The fair values of trade and other payables are not materially different to the carrying values presented. Other payables and accruals consist mainly of payroll and operating expenses.

15. Stated capital

Dividend distributions to Mpact's ordinary equity holders are recognised as a liability in the period in which the dividends are declared and approved. Final dividends are accrued when approved by the Board.

	2025 R'm	2024 R'm
Authorised		
217,500,000 shares of no par value	**–**	–
Issued and fully paid		
Issue of shares of no par value	**2,360.9**	2,360.9
	2,360.9	2,360.9

15. Stated capital *(continued)*

	Number of shares 2025	Number of shares 2024
Reconciliation of the number of shares in issue:		
Shares in issue at the beginning of the year	**149,453,688**	149,453,688
Shares in issue at the end of the year	**149,453,688**	149,453,688

The Directors were not given the general authority to buy back Mpact's own shares at the Annual General Meeting held on 5 June 2025.

Mpact Incentive Scheme Trust held 1,839,275 (2024: 2,046,850) treasury shares and Mpact funded Standard Bank Equities to purchase a further 399,544 shares under an escrow arrangement for the Mpact Share Plan. These shares are held as share awards under the Group's share incentive scheme (refer to note 21).

During the year, the Trust acquired 810,600 shares at an average price of R26.90 and Standard Bank Equities acquired 399,544 shares at an average price of R25.25.

16. Cash generated from operations

	2025 R'm	2024 R'm
Profit before taxation	**72.5**	265.7
Depreciation of investment property	**50.7**	48.2
Share-based payments expense (reversal)/charge	**(2.2)**	7.5
Investment income	**(3.1)**	(2.8)
Finance costs	**3.1**	13.3
Dividend income	**–**	(200.0)
Profit on disposal of investment property	**(1.5)**	–
Net decrease/(increase) in working capital	**2.9**	(2.2)
Decrease in receivables	**11.4**	18.4
Decrease in payables	**(8.5)**	(20.6)
	122.4	129.7

17. Taxation (paid)/refund

	2025 R'm	2024 R'm
Opening balance – tax payable	**(1.3)**	(6.2)
Current tax charge for the year	**(16.3)**	5.3
Tax effects on shares purchased for vesting	**2.1**	5.9
Closing balance – (tax receivable)/payable	**(4.4)**	1.3
	(19.9)	6.3

18. Change in liabilities arising from cash flows from financing activities

	1 January R'm	Cash inflows R'm	Cash outflows R'm	Interest capitalised R'm	31 December R'm
2025					
Loan from subsidiary	**–**	**44.5**	**(22.5)**	**3.1**	**25.1**
	–	**44.5**	**(22.5)**	**3.1**	**25.1**
2024					
Loan from subsidiary	74.5	182.0	(256.5)	–	–
	74.5	182.0	(256.5)	–	–

19. Capital commitments

	2025 R'm	2024 R'm
Approved by Board and contracted for	**58.2**	–

The capital commitments will be financed from cash generated from operations and the loan facility from Mpact Operations Proprietary Limited.

20. Operating lease receivables

Mpact's operating leases are with related parties. These leases have a maximum lease term of five years.

The outstanding undiscounted receivables under non-cancellable leases were:

	2025 R'm	2024 R'm
Within one year	**120.3**	148.0
One to two years	**90.7**	100.9
Two to five years	**127.3**	121.5
	338.3	370.4

21. Share-based payments

Previously, Mpact participated in two equity settled, share-based compensations, namely: bonus share plan (BSP) and performance share plan (PSP). The vesting condition of the BSP was continued employment for a period of three years. The vesting condition of the PSP was dependent on headline earnings per share growth (HEPS) and return on capital employed (ROCE) for a period of three years. During the vesting period, participants do not have shareholders' rights, i.e. right to vote or share in the dividend distribution. The share-based payments arrangement are for executives and senior employees of Mpact Limited and its subsidiaries. No new awards were granted under these plans during the year.

In respect of the 2025 share plan, shares will be settled under the deferred share awards (DSA) and performance share awards (PSA).

The vesting condition of the DSA is continued employment for a period of three years. Dividends are paid on DSAs, when declared, because the applicable performance condition has already been met, and they are now only subject to continued employment.

The vesting condition of the PSA is dependent on headline earnings per share growth (HEPS), return on capital employed (ROCE) and environmental, social and governance (ESG) for a period of three years. Dividends declared between the award date and the vesting date will accrue to participants, but will only be settled when and to the extent that the underlying awards vest.

21. Share-based payments *(continued)*

The fair value of the employee services received in exchange for the grant of share awards is recognised concurrently as an expense and an adjustment to equity. The total amount to be expensed over the vesting period is determined by reference to the fair value of the share awards granted. In respect of the PSP and PSA, the expense is adjusted to take into account the probability of achieving the performance conditions. At each reporting date, Mpact revises its estimates of the number of share awards that are expected to vest. It recognises the impact of the revision to original estimates, if any, in the statement of comprehensive income, with a corresponding adjustment to equity.

The total fair value charge in respect of all the Mpact share awards granted are as follows:

	2025 R'm	2024 R'm
BSP	2.8	3.9
PSP[1]	(6.7)	3.6
DSA	0.4	–
PSA	1.3	–
Total share-based payment expense (reversal)/charge	**(2.2)**	7.5

1. *Reversal of charge based on the expectation that the performance conditions will not be achieved.*

A reconciliation of share award movements is shown below:

	BSP number of shares	PSP number of shares	DSA number of shares	PSA number of shares
2025				
1 January 2025	439,570	1,369,371	–	–
Shares conditionally awarded in the year	–	–	54,569	596,973
Shares vested in the year	(135,964)	(162,404)	–	–
Transfers in the year	–	–	–	–
Shares lapsed in the year	–	(244,521)	–	–
31 December 2025	303,606	962,446	54,569	596,973
2024				
1 January 2024	439,615	1,467,800	–	–
Shares conditionally awarded in the year	122,121	497,179	–	–
Shares vested in the year	(151,880)	(595,608)	–	–
Shares lapsed in the year	29,714	–	–	–
31 December 2024	439,570	1,369,371	–	–

21. Share-based payments *(continued)*

The fair values of the share awards granted under the Mpact share plans are calculated using the Black-Scholes-Merton Model with reference to the facts and assumptions presented below:

	2025	2024	2023	2022
PSA				
Date of grant	**2 June**	–	–	–
Vesting period (months)	**36**	–	–	–
Expected leavers per annum (%)	**–**	–	–	–
Share price volatility	**–**	–	–	–
Expected outcome of meeting performance criteria				
– ROCE component	**0%**	–	–	–
– HEPS growth	**80%**	–	–	–
– ESG component	**20%**	–	–	–
Grant date fair value per instrument (R)				
– ROCE component	**26.21**	–	–	–
– HEPS growth	**26.21**	–	–	–
– ESG component	**26.21**	–	–	–
DSA				
Date of grant	**2 June**	–	–	–
Vesting period (months)	**36**	–	–	–
Expected leavers per annum (%)	**–**	–	–	–
Grant date fair value per instrument (R)	**26.21**	–	–	–
BSP				
Date of grant	**–**	4 April	1 April	1 April
Vesting period (months)	**–**	36	36	36
Expected leavers per annum (%)	**–**	–	–	–
Future risk-free interest rate	**–**	8.46%	8.47%	6.59%
Grant date fair value per instrument (R)	**–**	22.97	26.46	28.86
PSP				
Date of grant	**–**	4 April	1 April	1 April
Vesting period (months)	**–**	36	36	36
Expected leavers per annum (%)	**–**	–	–	–
Share price volatility	**–**	–	–	–
Future risk-free interest rate	**–**	8.46%	8.47%	6.59%
Expected outcome of meeting performance criteria				
– Return on capital employed (“ROCE”) component	**–**	30%[1]	60%[1]	79.8%
– HEPS growth	**–**	90%[1]	90%[1]	0%
Grant date fair value per instrument (R)				
– HEPS component	**–**	22.97	26.46	28.86
– ROCE component	**–**	22.97	26.46	28.86

1. *ROCE was changed to 0% and HEPS growth to 0% in the current financial year.*

During the year share awards were vested at a share price of R27.46 per share.

22. Financial risk management

Financial assets and financial liabilities are recognised in Mpact’s statement of financial position when Mpact becomes party to the contractual provisions of the instrument. A financial asset or financial liability is initially measured at fair value. A trade receivable without a significant financing component is initially measured at the transaction price.

On initial recognition, a financial asset is classified as measured at amortised cost.

Financial asset investments

Loans and receivables are measured at initial recognition at fair value and are subsequently measured at amortised cost using the effective interest rate method, less any expected credit losses as appropriate.

22. Financial risk management *(continued)*

Cash and cash equivalents

Cash and cash equivalents comprise cash at banks and on hand.

Other receivables

On initial recognition, trade receivables are classified as measured at amortised cost using the effective interest rate method, less any expected credit losses as appropriate.

Trade payables

On initial recognition, trade payables are classified as measured at amortised cost using the effective interest rate method.

Valuation of financial instruments

The fair value of financial instruments, excluding derivative instruments, not traded in active, liquid and organised financial markets are determined using a variety of valuation methods and assumptions that are based on market conditions and risks existing at the reporting date, including independent appraisals and discounted cash flow methods.

Measurement of fair values

A number of Mpact's accounting policies and disclosures require the measurement of fair values for both financial and non-financial assets and liabilities. Mpact has an established control framework with respect to the measurement of fair values. Significant valuation issues are reported to Mpact's Audit Committee.

When measuring the fair value of an asset or a liability, Mpact uses observable market data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

Mpact's trading and financing activities expose it to various financial risks that, if left unmanaged, could adversely impact current or future earnings. Although not necessarily mutually exclusive, these financial risks are categorised separately according to their different generic risk characteristics and include market risk (interest rate risk), credit risk and liquidity risk. Mpact is actively engaged in the management of all of these financial risks in order to minimise their potential adverse impact on Mpact's financial performance.

Fair value estimation

The fair value of trade and other receivables and trade and other payables approximate their carrying values due to the short-term maturities of these instruments.

The principles, practices and procedures governing the company-wide financial risk management process have been approved by the Board and are overseen by the Executive Committee. In turn, the Executive Committee delegates authority to a central treasury function (company treasury) for the practical implementation of the financial risk management process across Mpact and for ensuring that the company's entities adhere to specified financial risk management policies. Company treasury continually reassesses and reports on the financial risk environment, identifying, evaluating and hedging financial risks by entering into derivative contracts with counterparties where appropriate. Mpact does not take speculative positions on derivative contracts and only enters into contractual arrangements with counterparties that have investment grade credit ratings.

MARKET RISK

Mpact's activities are exposed to interest rate risk. The risk is actively monitored on a continuous basis and primarily relate to interest rate exposure on loans from a Group subsidiary.

Interest rate risk

Mpact holds cash and cash equivalents, which earn interest at a variable rate and has variable rate debt in issue. Consequently, Mpact is exposed to interest rate risk.

22. Financial risk management *(continued)*

Management of variable rate debt

Mpact has a loan from a subsidiary which incurred interest at prime plus 2%. Mpact's cash and cash equivalents acts as a natural hedge against possible unfavourable movements in the prime lending rates.

Net variable rate debt sensitivity analysis

The net variable rate exposure represents variable rate debt less cash and cash equivalents. Reasonably possible changes in interest rates have been applied to net variable rate exposure, in order to provide an indication of the possible impact on Mpact's statement of profit or loss. Mpact determined that a reasonably possible change would be the variation in the prime lending rate during the current year.

Interest rate risk sensitivities on variable rate debt

	2025 R'm	2024 R'm
Total debt	**25.1**	–
Less: Cash and cash equivalents	**(20.6)**	(78.3)
Net variable rate exposure	**4.5**	(78.3)
± basis points change		
Potential impact on earnings +100 basis points (2024: +50 basis points)	**–**	0.3
Potential impact on earnings -100 basis points (2024: -50 basis points)	**–**	(0.3)

CREDIT RISK

Mpact's credit risk is mainly confined to the risk of borrowers defaulting on borrowings. In the current and prior financial year, no amount in other receivables was past due.

	2025 R'm	2024 R'm
Maximum exposure to credit risk		
Cash and cash equivalents	**20.6**	78.3
Other receivables (excluding prepayments and accrued income)	**10.0**	11.8
Total credit risk exposure	**30.6**	90.1

Credit risk exposure arising on cash and cash equivalents is managed through dealing with well-established financial institutions of good standing for investment and cash management purposes. Moody's bank ratings relating to the bank balances were Baa3. Mpact considers a financial asset to be in default when it is unlikely to be repaid or recovered.

LIQUIDITY RISK

Liquidity risk is the risk that Mpact could experience difficulties in meeting its commitments to creditors as financial liabilities fall due for payment. Mpact manages its liquidity risk by using reasonable and retrospectively-assessed assumptions to forecast the future cash-generative capabilities and working capital requirements of the businesses it operates and by maintaining sufficient reserves, committed borrowing facilities and other credit lines as appropriate.

Contractual maturity analysis

Trade receivables, the principal class of non-derivative financial assets held by Mpact, are settled gross by customers. Mpact's financial investments, which are not held for trading and therefore do not comprise part of Mpact's liquidity planning arrangements, make up the remainder of the non-derivative financial assets held.

The following table presents Mpact's outstanding contractual maturity profile for its non-derivative financial liabilities. The analysis presented is based on the undiscounted contractual maturities of Mpact's financial liabilities, including any interest that will accrue, except where Mpact is entitled and intends to repay a financial liability, or part of a financial liability, before its contractual maturity. Non-interest-bearing financial liabilities which are due to be settled in less than 12 months from maturity equal their carrying values, since the impact of the time value of money is immaterial over such a short duration.

22. Financial risk management *(continued)*

Maturity profile of outstanding financial liabilities – undiscounted cash flows

	<1 year R'm	1-2 years R'm	2-5 years R'm	Total R'm
2025				
Loan from subsidiary	–	28.5	–	28.5
Trade and other payables	76.2	–	–	76.2
	76.2	28.5	–	104.7
2024				
Trade and other payables	30.6	–	–	30.6
	30.6	–	–	30.6

	2025 Amortised cost R'm	2024 Amortised cost R'm
Financial instruments by category		
Financial assets		
Cash and cash equivalents[1]	20.6	78.3
Other receivables[1]	10.0	11.8
Total	30.6	90.1
Financial liabilities		
Loan from subsidiary[1] (Level 3 fair value hierarchy)	25.1	–
Trade and other payables[1]	76.2	30.6
Total	101.3	30.6

1. *The carrying value reasonably approximates the fair value.*

23. Capital management

Mpact's objective when managing capital is to safeguard its ability to continue as a going concern in order to provide returns to shareholders. The capital structure of Mpact is equity funded, comprising of stated capital, reserves and retained earnings (refer to the statement of changes in equity).

24. Related party transactions

Mpact has a related party relationship with its subsidiaries, associates and Directors.

Details of transactions and balances between Mpact and related parties are disclosed below:

	2025 R'm	2024 R'm
Rental income from subsidiaries	**140.0**	139.4
Management fees received from subsidiaries	**12.8**	26.5
Dividend income from subsidiary	**–**	200.0
Finance costs incurred from subsidiary	**(3.1)**	(13.3)
Dividend paid to Mpact Limited Incentive Scheme	**(1.3)**	(1.7)
Trade receivables from subsidiaries	**2.9**	2.2
Trade payables to subsidiaries	**(49.7)**	(6.4)
Loan from subsidiary	**25.1**	–

The rental agreements and management fee received with related parties are made on terms equivalent to those that prevail in arm's length transactions.

Details of the Executive Directors and Prescribed Officers' remuneration is included in note 28.

25. Events occurring after the reporting date

On 5 March 2026, the Board declared an ordinary dividend of 30 cents per share payable on 13 April 2026 to shareholders registered on 10 April 2026.

There were no other significant or material subsequent events which would require adjustment to or disclosure in the annual financial statements.

26. Going concern

The annual financial statements have been prepared on the basis of accounting policies applicable to a going concern. During the year the company made a profit of R51.1 million (2024: R252.3 million). Profit decreased in the current year as Mpact did not receive dividend income from Mpact Operations Proprietary Limited (refer to note 2).

Current liabilities exceeded current assets due to inter-group creditors outstanding at 31 December 2025. The creditors were subsequently paid in January 2026. Based on the 2026 plan and the undrawn loan facility from a subsidiary, Mpact is considered solvent and liquid.

The Directors are of the view that the company is able to trade as a going concern and is able to settle its current liabilities as they occur during the normal course of business over the next 12 months.

27. Interest in subsidiaries, associates and joint arrangements

	Country of incorporation	Share capital 2025	2024	Shareholding 2025 %	2024 %
Subsidiaries – Direct holding					
Mpact Operations Proprietary Limited[1]	RSA	**R20,000**	R20,000	**90**	90
Embalagens Mpact Limitada	Mozambique	**M3,346,800**	M3,346,800	**90**	90
Mpact Corrugated Proprietary Limited	Namibia	**N$100**	N$100	**74**	74
Subsidiaries – Indirect holding					
Mpact Paarl Property Proprietary Limited	RSA	**R100**	R100	**100**	100
Mpact Plastic Containers Proprietary Limited	RSA	**R100**	R100	**66**	66
Magic Attitude Trading 57 Proprietary Limited	RSA	**R100**	R100	**100**	100
Detpak South Africa Proprietary Limited	RSA	**R7,144**	R7,144	**51**	51
Recycling Consolidated Holdings Proprietary Limited	RSA	**R167,177,219**	R167,177,219	**100**	100
West Coast Paper Traders Proprietary Limited	RSA	**R400**	R400	**60**	60
Mpact Plastic Containers Castleview Proprietary Limited	RSA	**R1,653,173,811**	R1,653,173,811	**66**	66
Mpact Flexo Graphics Proprietary Limited	RSA	**R500,000**	R500,000	**51**	51
Mpact Foundation (RF) Proprietary Limited	RSA	**R1**	R1	**100**	100
Seyfert Corrugated Western Cape Proprietary Limited[2]	RSA	**R15,500,201**	–	**74**	–
Associates – Indirect holding					
Farmpack Proprietary Limited	RSA	**R100**	R100	**49**	49
Seyfert Corrugated Western Cape Proprietary Limited[2]	RSA	**–**	R15,500,201	**–**	49
Ikhwezi Industries Proprietary Limited[3]	RSA	**R1,000**	R1,000	**24**	24
Africa Tanks Proprietary Limited[4]	RSA	**R16,634,017**	R16,634,017	**30**	30
Joint venture – Indirect holding					
Dalisu Holdings Proprietary Limited	RSA	**R100**	R100	**49**	49
Controlling interests in trusts					
Mpact Foundation Trust	RSA	**–**	–	**–**	–
Mpact Limited Incentive Scheme Trust	RSA	**–**	–	**–**	–

1. *The remaining 10% is ultimately held by Mpact Foundation Trust. The trust is controlled by Mpact Limited.*
2. *Effective 1 August 2025, Mpact increased its shareholding and acquired control, leading to Seyfert Corrugated Western Cape being classified as a subsidiary.*
3. *The 24% holding is held by West Coast Paper Traders Proprietary Limited.*
4. *The 30% holding is held by Mpact Plastic Containers Castleview Proprietary Limited.*

Voting rights are aligned proportionately with shareholding interests.

These companies operate principally in the countries in which they are incorporated. Refer to note 8 for the cost of investment in subsidiaries.

28. Directors' remuneration

Executive Directors' remuneration

The remuneration of the Executive Directors all of which are paid by Mpact Limited Group, who served during the period under review was as follows:

R's	Guaranteed package (TGCOE)[1]	Short-term incentive – cash portion[2]	Other[3]	Sub-total Cash-based remuneration	Short term incentive – deferred portion (grant value)[4]	Long-term incentive – intrinsic value[5]	Total remuneration
Executive Directors							
2025							
BW Strong	**7,124,059**	**1,390,616**	**256,915**	**8,771,590**	**782,222**	**–**	**9,553,812**
JJ Snyman	**4,682,496**	**921,515**	**–**	**5,604,011**	**518,352**	**–**	**6,122,363**
Total	**11,806,555**	**2,312,131**	**256,915**	**14,375,601**	**1,300,574**	**–**	**15,676,175**
2024							
BW Strong	6,850,057	1,709,774	178,902	8,738,733	961,748	3,055,474	12,755,955
JJ Snyman[6]	3,576,208	750,682	1,818	4,328,708	455,606	–	4,784,314
BDV Clark[7]	2,169,543	348,863	142,483	2,660,889	–	1,741,945	4,402,834
Total	12,595,808	2,809,319	323,203	15,728,330	1,417,354	4,797,419	21,943,103

1. *Guaranteed package (TGCOE) paid for the 12 months of the financial year.*
2. *Short-term incentive (STI) earned on performance for the 2025 financial year, to be paid in March 2026 (2024: STI earned on 2024 performance, paid in March 2025).*
3. *Other cash benefits include dividend equivalent bonus based on actual bonus shares that vested in March 2025 and other cash benefits.*
4. *Value of the bonus shares to be granted (56.25% of STI) on 1 April 2026, based on 2025 short-term incentive performance and vesting in March 2029 (2024: Value of the bonus share to be granted (56.25% of STI) on 1 April 2025 based on 2024 short-term incentive performance and vesting in March 2028).*
5. *Intrinsic value is calculated by taking the number of performance shares expected to vest in March 2026, based on performance over the three-year period ended 31 December 2025, multiplied by the closing Mpact share price at 31 December 2025 (2024: Performance shares expected to vest in March 2025, based on performance over the three-year period ended 31 December 2024, multiplied by the closing Mpact share price at 31 December 2024).*
6. *Appointed on 1 June 2024. Of the total TGCOE amount, R2,626,400 was paid as Director of Mpact Limited and R949,808 was paid as a Divisional Commercial Manager of Recycling Consolidated Holdings Proprietary Limited.*
7. *Retired on 31 May 2024.*

28. Directors’ remuneration *(continued)*

Share awards granted to Executive Directors

The following tables set out the share award grants for the bonus share plan (BSA), performance share plan (PSP), deferred share awards (DSA), performance share awards (PSA) to the Executive Directors.

Executive Director

BW Strong

Type of award	Date of award/ grant	Release date	Number of shares awarded/granted in prior years	Number of shares awarded/granted during the year	Number of shares vested during the year	Number of shares lapsed or expected to lapse at vesting date	Number of shares held as at 31 December 2025
BSP	Apr 22	Mar 25	77,532	–	77,532	–	–
PSP	Apr 22	Mar 25	259,171	–	103,435	155,736	–
BSP	Apr 23	Mar 26	86,392	–	–	–	86,392
PSP	Apr 23	Mar 26	296,328	–	–	296,328	–
BSP	Apr 24	Mar 27	73,256	–	–	–	73,256
PSP	Apr 24	Mar 27	333,013	–	–	333,013	–
DSA	Jun 25	Mar 28	–	37,028	–	–	37,028
PSA	Jun 25	Mar 28	–	365,703	–	241,364	124,339
Total number of shares			1,125,692	402,731	180,967	1,026,441	321,015

R’s Type of award	Date of award/grant	Award/grant price (Rand)[7]	Face value of shares awarded/granted in prior years[1]	Face value of shares awarded/granted during the year[2]	Cumulative effects of share price movement loss[3]	Value of awards vested during the year[4]	Value of shares lapsed or expected to lapse at vesting date	Number of shares held as at 31 December 2025[5]
BSP	Apr 22	31.89	2,472,317	–	(343,273)	2,129,044	–	–
PSP	Apr 22	31.89	8,264,367	–	(1,147,480)	2,840,346	4,276,541	–
BSP	Apr 23	29.28	2,529,886	–	(586,066)	–	–	1,943,820
PSP[6]	Apr 23	29.28	8,677,610	–	(2,010,230)	–	6,667,380	–
BSP	Apr 24	27.43	2,009,104	–	(360,844)	–	–	1,648,260
PSP[6]	Apr 24	27.43	9,133,148	–	(1,640,355)	–	7,492,793	–
DSA	Jun 25	25.97	–	961,739	(128,609)	–	–	833,130
PSA	Jun 25	25.97	–	9,498,514	(1,270,196)	–	5,430,690	2,797,628
Total market value of shares			33,086,432	10,460,253	(7,487,053)	4,969,390	23,867,404	7,222,838

28. Directors’ remuneration *(continued)*

JJ Snyman

Type of award	Date of award/grant	Release date	Number of shares awarded/granted in prior years	Number of shares awarded/granted during the year	Number of shares vested during the year	Number of shares lapsed or expected to lapse at vesting date	Number of shares held as a 31 December 2025
BSP	Apr 23	Mar 26	13,521	–	–	–	13,521
BSP	Apr 24	Mar 27	16,193	–	–	–	16,193
PSP	Jun 24	Mar 27	164,166	–	–	164,166	–
DSA	Jun 25	Mar 28	–	17,541	–	–	17,541
PSA	Jun 25	Mar 28	–	180,281	–	118,985	61,296
Total number of shares			193,880	197,822	–	283,151	108,551

R’s Type of award	Date of award/grant	Award/grant price (Rand)[7]	Face value of shares awarded/granted in prior years[1]	Face value of shares awarded/granted during the year[2]	Cumulative effects of share price movement loss[3]	Value of awards vested during the year[4]	Value of shares lapsed or expected to lapse at vesting date	Number of shares held as a 31 December 2025[5]
BSP	Apr 23	29.28	395,946	–	(91,724)	–	–	304,222
BSP	Apr 24	27.43	444,106	–	(79,763)	–	–	364,343
PSP[6]	Jun 24	27.43	4,502,384	–	(808,649)	–	3,693,735	–
DSA	Jun 25	25.97	–	455,598	(60,925)	–	–	394,673
PSA	Jun 25	25.97	–	4,682,492	(626,170)	–	2,677,173	1,379,149
Total market value of shares			5,342,436	5,138,090	(1,667,231)	–	6,370,908	2,442,387

1. *Face value at award/grant date is the number of shares awarded/granted at the award/grant price.*
2. *During the year share grants and awards were made at R25.97 per share.*
3. *Cumulative effects of share price gains and losses represents the market value change between the share value at grant dates, the value of each at vesting, the value of shares lapsing or expected to lapse and the closing market value at 31 December 2025.*
4. *During the year share awards were vested at a share price of R27.46 per share.*
5. *The closing share price at 31 December 2025 was R22.50 per share.*
6. *Assumed a 0% achievement of PSP awarded in 2023, and 0% for awards made in 2024.*
7. *Award/grant price is the VWAP of Mpact Limited for the 20 trading days prior to the date on which the award is made (2024: Awards/grant price is the VWAP of Mpact Limited for the 15 days following the release of Mpact’s year-end results)*

28. Directors' remuneration *(continued)*

	Paid by Mpact Limited			Paid by Mpact Operations Proprietary Limited[2]			Total paid by Group
	Fees paid as Non-executive Director[1]	Fees paid as Trustee to the Mpact Foundation Trust[1]	Total	Fees paid as Non-executive Director[1]	Professional fees	Total	Total
Non-Executive Directors' remuneration							
2025							
S Luthuli	**666,488**	**–**	**666,488**	**352,116**	**–**	**352,116**	**1,018,604**
AJ Phillips[3]	**–**	**–**	**–**	**445,119**	**–**	**445,119**	**445,119**
ABA Conrad	**426,235**	**169,659**	**595,894**	**199,699**	**–**	**199,699**	**795,593**
C Raphiri[4]	**158,594**	**–**	**158,594**	**–**	**–**	**–**	**158,594**
F Futwa	**445,874**	**–**	**445,874**	**248,615**	**–**	**248,615**	**694,489**
M Makanjee	**486,756**	**85,138**	**571,894**	**327,614**	**–**	**327,614**	**899,508**
S Mayet[5]	**466,544**	**–**	**466,544**	**55,492**	**–**	**55,492**	**522,036**
D Wilson	**506,395**	**–**	**506,395**	**310,995**	**–**	**310,995**	**817,390**
Total	**3,156,886**	**254,797**	**3,411,683**	**1,939,650**	**–**	**1,939,650**	**5,351,333**
2024							
AJ Phillips	–	–	–	990,457	58,645	1,049,102	1,049,102
ABA Conrad	–	161,580	161,580	543,371	–	543,371	704,951
F Futwa[6]	–	–	–	438,030	–	438,030	438,030
S Luthuli	–	–	–	1,090,277	–	1,090,277	1,090,277
M Makanjee	–	81,084	81,084	828,683	–	828,683	909,767
TDA Ross[7]	–	–	–	513,397	–	513,397	513,397
D Wilson	–	–	–	790,095	–	790,095	790,095
Total	–	242,664	242,664	5,194,310	58,645	5,252,955	5,495,619

1. *The above amounts exclude VAT.*
2. *The Director appointed to Mpact Operations Proprietary Limited Board resigned on 1 July 2025.*
3. *Retired on 29 May 2025 from Mpact Limited and Mpact Operations Proprietary Limited.*
4. *Appointed on 15 September 2025.*
5. *Appointed on 10 April 2025.*
6. *Appointed on 17 May 2024.*
7. *Retired on 6 June 2024 from Mpact Limited and Mpact Operations Proprietary Limited.*

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