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2025

**AUDITED CONSOLIDATED ANNUAL
FINANCIAL STATEMENTS**

for the year ended 31 December 2025

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Directors' responsibility statement and basis of preparation

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

These consolidated 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 consolidated 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 consolidated annual financial statements of Mpact Limited and its subsidiaries ("Mpact"), 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's ability to continue as a going concern.

Approval of the annual financial statements

The Directors confirm that the consolidated 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 and the undertakings included in the consolidation taken as a whole.

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

The report of the Directors, which appears on [pages 11 to 15](#), consolidated annual financial statements and related notes, which appear on [pages 22 to 87](#) 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, each of whose names are stated below and, after due, careful and proper consideration hereby confirm that:

- The consolidated annual financial statements set out on **pages 11 to 87**, 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 consolidated 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 consolidated annual financial statements of Mpact;
- The internal financial controls are adequate and effective and can be relied upon in compiling the consolidated 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 consolidated financial statements

Our opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the consolidated financial position of Mpact Limited (the Company) and its subsidiaries (together the Group) as at 31 December 2025, and its consolidated financial performance and its consolidated 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 consolidated financial statements set out on pages 22 to 87 comprise:

- the consolidated statement of financial position as at 31 December 2025;
- the consolidated statement of profit or loss and other comprehensive income for the year then ended;
- the consolidated statement of changes in equity for the year then ended;
- the consolidated 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 consolidated 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 Group in accordance with the Independent Regulatory Board for Auditors' *Code of Professional Conduct for Registered Auditors* (IRBA Code), as applicable to audits of financial

PricewaterhouseCoopers Inc.
4 Lisbon Lane, Waterfall City, Jukskei View, 2090
Private Bag X36, Sunninghill, 2157
T: +27 (0) 11 797 4000, F: +27 (0) 11 209 5800
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

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 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

R139.5 million, which represents 1% of consolidated revenue from contracts with customers from continuing operations.

Group audit scope

The Group conducts its operations through twenty components. We identified nine components as significant due to size or risk over which full scope audits were performed.

We performed audits of specific account balances, classes of transactions or disclosure over two of the components due to the risk associated with these components and their contribution to the Group.

Key audit matters

Goodwill impairment assessment

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the consolidated 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 and group audit scope 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 consolidated 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 consolidated financial statements.

Based on our professional judgement, we determined certain quantitative thresholds for materiality, including the final materiality for the consolidated 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 consolidated financial statements as a whole.

	Consolidated financial statements
Final materiality	R139.5 million
How we determined it	1% of consolidated revenue from contracts with customers from continuing operations.
Rationale for the materiality benchmark applied	We chose consolidated revenue from contracts with customers from continuing operations as the benchmark because, in our view, it is the benchmark against which the performance of the Group is most commonly measured by users for evaluating the Group's performance and reflects its core operational activities in an environment of volatile profits. We chose 1% based on our professional judgement, after consideration of the range of quantitative materiality thresholds that we would typically apply when using revenue as a benchmark in calculating materiality.

Group audit scope

We tailored the scope of our audit in order to perform sufficient work to enable us to provide an opinion on the consolidated financial statements as a whole, taking into account the structure of the Group, the accounting processes and controls, and the industry in which the Group operates.

When establishing the overall group audit strategy, we assessed and determined the nature and scope of procedures to be performed by the group engagement team and by component auditors operating under our instruction.

Our scoping assessment included consideration of the financial significance of the Group's twenty components as well as the sufficiency of work planned to be performed over material consolidated financial statement line items. We identified nine components that were considered to be financially significant based on the risk associated as well as their financial significance. Full scope audits were performed on these components. In addition to the full scope audits, we performed audits of specific account balances, classes of transactions or disclosure over two components, based on the risk associated and financial significance of these components to obtain coverage across the Group. Targeted analytical review procedures were performed over all remaining components not in scope, to assess whether any risks exist that would require additional audit procedures.

Where work was performed by component auditors, we evaluated their competence, capabilities, and relevant experience, and determined the level of direction, supervision, and review required. This enabled us to conclude whether sufficient appropriate audit evidence had been obtained to provide a basis for our opinion on the consolidated financial statements as a whole.

Throughout the audit, we held regular discussions with the component auditors. In addition, we inspected the component auditors' working papers relating to significant risks and other areas identified based on our professional judgement.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

In terms of ISA 701 *Communicating key audit matters in the independent auditor's report* / the EAR Rule (as applicable), we are required to report key audit matters and the outcome of audit procedures or key observations with respect to the key audit matters, and these are included below.

Key audit matter	How our audit addressed the key audit matter
Goodwill impairment assessment Refer to note 9 and 12 of the consolidated financial statements. International Accounting Standard (IAS) 36 – Impairment of Assets – requires that goodwill be tested for impairment at least annually, or more frequently when indicators of impairment are identified. As at year end, the Group had recognised goodwill amounting to R459.7 million as disclosed in note 9 to the consolidated financial statements. Management performed impairment testing of goodwill for all material cash-generating units (CGUs) and concluded that no impairment had occurred in any of the identified CGUs. The recoverable amount for all CGUs was determined using the value-in-use method. In assessing the value-in-use of each CGU, management applied judgement in determining the key assumptions, including: • Discount rates; • Terminal value growth rates; • Revenue growth rates; and • EBITDA margins. We considered the goodwill impairment assessment to be a matter of most significance to our current-year audit due to the following:	• We evaluated and challenged the reasonableness of the key assumptions used by management in the impairment calculations. This included comparing the key assumptions to industry benchmarks, historical performance, and external market forecasts. While some of our independently determined assumptions differed from those applied by management, the impact of these differences was assessed to be immaterial to the overall impairment assessment. • We assessed the method applied by management in preparing the cash flow forecasts by comparing it to prior-year practices, and noted that the process was applied consistently. • We evaluated the historical accuracy of management's forecasting, specifically focussing on revenue growth rates and EBITDA margins, by comparing prior-period actual results to the cash flow forecasts prepared for those periods. Where variances were identified, we followed up with management to understand the underlying reasons and assessed the reasonableness of the explanations provided. We noted that the variances did not indicate inaccuracies in the forecasting process based on the information that was available to management at the time the forecasts were prepared.

Key audit matter	How our audit addressed the key audit matter
• The significant level of judgement applied by management in performing the impairment assessments, particularly in determining the key assumptions; and • The magnitude of the consolidated goodwill balance.	• We engaged our valuation experts to assess the appropriateness and reasonableness of the discount rates used by management. This included independently recalculating the discount rates using inputs that are comparable to those of other companies operating in the same industry and of similar size. Although our independently determined discount rates differed from those applied by management, the effect of these differences was assessed to be immaterial to the overall impairment assessment. • We compared the terminal value growth rate applied by management to the forecasted long-term inflation rate for South Africa. Although our independently determined terminal growth rate differed from that used by management, this difference did not have a material impact on the overall impairment assessment. • We tested the mathematical accuracy of management's impairment assessment and noted no material differences. • We evaluated the valuation methodology applied by management and found it to be consistent with IFRS Accounting Standards. • We independently performed sensitivity analyses on the impairment assessment to determine the extent to which key assumptions, as disclosed in note 12 of the consolidated financial statements, would need to change in order to result in an impairment. We discussed the outcomes with management and assessed the likelihood of such changes occurring. Although our independently determined assumptions differed from those applied by management, the impact of these differences was assessed to be immaterial to the overall impairment assessment.

Other information

The directors are responsible for the other information. The other information comprises the information included in the documents titled "Mpact Limited Group Audited Consolidated Annual Financial Statements for the year ended 31 December 2025" and the document titled "Mpact Limited Audited 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 consolidated 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 consolidated 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 consolidated 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 consolidated financial statements

The directors are responsible for the preparation and fair presentation of the consolidated 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 consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the directors are responsible for assessing the Group'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 Group or to cease operations, or have no realistic alternative but to do so.

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

Our objectives are to obtain reasonable assurance about whether the consolidated 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 consolidated 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 consolidated 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 Group'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 Group'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 consolidated 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 Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

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 consolidated 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 consolidated annual financial statements of Mpact for the year ended 31 December 2025.

Nature of business

Mpact is the largest paper and plastics packaging and recycling business in Southern Africa with customers that include packaging converters, fruit producers and FMCG companies. Mpact's integrated business model is uniquely focused on closing the loop in plastic and paper packaging through recycling and beneficiation of recyclables. The principal activities of Mpact remain unchanged from the previous year.

Mpact increased its shareholding in Seyfert Corrugated Western Cape Proprietary Limited, effective 1 August 2025, from 49% to 74% for a cash consideration of R42.6 million. This follows the fulfilment of all conditions precedent. As a result of the increased interest, Seyfert Corrugated Western Cape Proprietary Limited was recognised as a subsidiary and consolidated.

Mpact Limited 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 from total operations ended 31 December 2025 was R577.0 million (2024: R592.1 million). Full details of the financial position and results are set out in the accompanying consolidated annual financial statements.

Segment analysis

An analysis of results by each operating segment can be found in note 4 of the consolidated annual financial statements.

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.

Property, plant and equipment

At 31 December 2025 the net investment in property, plant and equipment amounted to R5,468.4 million (2024: R5,303.7 million), details of which are set out in note 10 to the consolidated annual financial statements.

The Mkhondo mill upgrade, previously reflected under assets in the course of construction, was successfully completed during the current financial year. Accordingly, R1.2 billion had been transferred from assets in the course of construction and capitalised as plant and equipment. Mpact had updated the useful lives of its plant and equipment subsequent to the capitalisation.

Capital commitments at year-end amounted to R327.5 million (2024: R225.4 million), refer to note 29 to the consolidated annual financial statements.

In the current year, Mpact performed an assessment on the remaining useful life of items of property, plant and equipment which resulted in changes in the expected usage of certain items, refer to note 2. There has been no other change in property, plant and equipment or to the policy relating to the use and residual values thereof during the year.

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 20 of the consolidated 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.

Report of the Directors *(continued)*

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.

Borrowings

In terms of the Memorandum of Incorporation, the Directors are permitted to borrow or raise for the purposes of Mpact such amount as they deem fit for the operation of the business. As at 31 December 2025, the total borrowings (including lease liabilities) less cash resources were R2,514.0 million (2024: R2,371.2 million). At 31 December 2025, Mpact had approved facilities of R4,300 million (2024: R4,660 million).

In the current financial year Mpact had successfully refinanced all of its facilities. Refer to note 21 of the consolidated annual financial statements.

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 Mankanjee	Independent Non-executive
S Mayet	Independent Non-executive (appointed on 10 April 2025)
CD Raphiri	Independent Non-executive (appointed on 15 September 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

Group 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

Report of the Directors *(continued)*

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.

Going concern

The Directors consider that Mpact has adequate resources to continue operating for the foreseeable future and that it is, therefore, appropriate to adopt the going concern basis in preparing the consolidated financial statements. The Directors have satisfied themselves that Mpact is in a sound financial position, and that it has access to sufficient borrowing facilities to meet its foreseeable cash requirements. Refer to note 3 of the consolidated annual financial statements.

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.

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 16 to 21**.

Events occurring after the reporting date

Springs Mill

On 3 February 2026, Mpact announced the contemplated discontinuation of operations at Springs Mill, which forms part of the Paper reporting segment. This decision was taken after the reporting date and is therefore treated as a non-adjusting event. Subject to the consideration of alternatives, production at the Springs Mill is likely to discontinue once all open orders have been completed. Based on current information, the mill is likely to run until the end of May 2026 (refer to note 39).

Dividend declaration

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 consolidated annual financial statements.

Report of the Directors (continued)

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
Prescribed Officers					
JW Hunt	594,979	–	30,045	594,979	–
HM Thompson	669,017	–	42,882	719,017	–
CM Botha	159,904	–	32,607	159,904	–
Total	2,756,064	7,350	160,103	2,737,446	8,866

There are no associate interests for the above Directors and Prescribed Officers. The restricted shares relates to the forfeitable Deferred Share Award.

Interest of major shareholders in share capital

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 (Pty) Limited	17,201,245	11.51
Mirabaud & Cie SA	7,724,208	5.17
M & G Investments	7,519,903	5.03
31 December 2024		
Caxton and CTP Publishers and Printers Limited	50,299,943	33.66
Gayatri Paper Mills Gauteng (Pty) 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

Report of the Directors *(continued)*

for the year ended 31 December 2025

	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	5	0.11	2,766,638	1.85
Directors and Prescribed Officers: Restricted shareholdings	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	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

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 financial 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 comprises 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 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;

Audit and Risk Committee Report *(continued)*

- 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-audit 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.

Audit and Risk Committee Report *(continued)*

Key audit matters

The figures disclosed in the consolidated annual financial statements in certain circumstances are arrived at using judgement. These are explained in detail in the accounting policies. The Committee notes the key audit matter set out in the independent auditor's report, which relates to the valuation of goodwill.

Management assesses the impairment of goodwill on an annual basis for all material cash-generating units (CGUs). The recoverable amount was based on the value-in-use method for all CGUs. In determining the value-in-use for all CGUs management applied judgement in determining the following key assumptions:

- Discount rates;
- Terminal value growth rates;
- Revenue growth rates; and
- EBITDA margins.

The Committee noted the sensitivities applied in the goodwill impairment assessment and after discussions with management, the Committee considered and evaluated this matter and is satisfied that they are represented appropriately.

Internal audit

The Committee:

- reviewed and approved the existing internal audit charter, which ensures that Mpac'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 Mpac'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 Mpac'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 Mpac'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 Mpac;
- 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.

Audit and Risk Committee Report *(continued)*

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.

Audit and Risk Committee Report *(continued)*

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.

Audit and Risk Committee Report *(continued)*

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 & Data Privacy: Focusing on cyber incident response plans, data privacy, and related disclosures;
- Internal Audit & 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

Consolidated Statement of Profit or Loss and Other Comprehensive Income

for the year ended 31 December 2025

	Notes	2025 R'm	2024 R'm
CONTINUING OPERATIONS			
Revenue from contracts with customers	4a	13,954.6	13,290.7
Material, energy and fixed overhead recovery	4b	(7,658.1)	(7,198.3)
Variable selling expenses	4b	(1,035.3)	(983.7)
Other net operating expenses ¹	4b	(3,741.8)	(3,607.3)
Depreciation, amortisation and impairment	4b	(608.1)	(575.6)
Operating profit	5	911.3	925.8
Gain on remeasurement of previously held investment in equity accounted investee	14	44.7	–
Share of profit from equity accounted investees	14	13.6	18.5
Profit from operations and equity accounted investees		969.6	944.3
Net finance costs	6	(244.4)	(297.2)
Interest income		18.1	24.5
Finance expense		(262.5)	(321.7)
Profit before tax from continuing operations	4b	725.2	647.1
Tax expense	7	(148.2)	(77.4)
Profit for the year from continuing operations		577.0	569.7
DISCONTINUED OPERATION			
Profit for the year from discontinued operation	32	–	22.4
Profit for the year		577.0	592.1
Other comprehensive loss			
Items that will not be reclassified subsequently to profit or loss			
Actuarial gains on post-retirement benefit scheme	23	(1.3)	1.8
Tax effect		0.4	(0.5)
Items that may be reclassified subsequently to profit or loss			
Exchange differences on translation of foreign operations		(0.4)	(2.5)
Other comprehensive loss		(1.3)	(1.2)
Total comprehensive income for the year		575.7	590.9
Profit attributable to:			
Equity holders of Mpact		485.4	504.4
Non-controlling interests		91.6	87.7
Profit for the year		577.0	592.1
Total comprehensive income attributable to:			
Equity holders of Mpact		484.1	503.5
Non-controlling interests		91.6	87.4
Total comprehensive income for the year		575.7	590.9
Earnings per share (EPS) for profit attributable to equity holders of Mpact			
Basic EPS (cps) from continuing operations	8	329.3	327.1
Diluted EPS (cps) from continuing operations	8	329.2	326.4
Basic EPS (cps) from discontinued operation	8	–	15.2
Diluted EPS (cps) from discontinued operation	8	–	15.2
Basic EPS (cps) from total operations	8	329.3	342.3
Diluted EPS (cps) from total operations	8	329.2	341.6

1. Other net operating expenses include an expected credit loss on financial assets of R24.2 million (2024: R30.2 million).

Consolidated Statement of Financial Position

as at 31 December 2025

	Notes	2025 R'm	2024 R'm
ASSETS			
Goodwill and other intangible assets	9	531.4	426.0
Property, plant and equipment	10	5,468.4	5,303.7
Investment property	11	125.2	–
Right-of-use assets	13	218.3	221.5
Investments in equity accounted investees	14	146.4	182.1
Other financial assets	15	46.9	45.9
Deferred tax assets	24	96.5	94.5
Non-current assets		6,633.1	6,273.7
Inventories	16	2,160.8	2,156.2
Trade and other receivables	17	2,799.4	2,581.1
Other financial assets	15	5.1	6.8
Derivative financial instruments	19	–	5.9
Current tax receivables		9.3	5.5
Cash and cash equivalents	18	892.0	975.5
Current assets		5,866.6	5,731.0
Total assets		12,499.7	12,004.7
EQUITY AND LIABILITIES			
Capital and reserves			
Stated capital	20	2,360.9	2,360.9
Retained earnings		3,301.6	2,969.7
Reserves		(18.2)	14.7
Total attributable to equity holders of Mpact		5,644.3	5,345.3
Non-controlling interests in subsidiaries		625.9	520.6
Total equity		6,270.2	5,865.9
Interest and non-interest-bearing borrowings	21	3,126.0	3,057.6
Lease liabilities	22	196.0	207.8
Retirement benefits obligation	23	37.7	31.7
Deferred tax liabilities	24	444.9	320.4
Provisions	27	2.1	2.4
Non-current liabilities		3,806.7	3,619.9
Interest and non-interest-bearing borrowings	25	7.2	18.7
Lease liabilities	22	76.8	62.6
Trade and other payables	26	2,324.2	2,396.8
Provisions	27	2.6	6.5
Derivative financial instruments	19	9.7	2.7
Current tax liabilities		2.3	31.6
Current liabilities		2,422.8	2,518.9
Total liabilities		6,229.5	6,138.8
Total equity and liabilities		12,499.7	12,004.7

Consolidated 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		1,530.7	1,545.4
Net (increase)/decrease in working capital		(303.5)	323.0
Cash generated from operations	33a	1,227.2	1,868.4
Dividends received from equity accounted investees	14	18.0	16.3
Taxation paid	33b	(76.9)	(92.1)
Net cash inflows from operating activities		1,168.3	1,792.6
Cash flows from investing activities			
Acquisition of subsidiary, net of cash acquired	31	(33.6)	–
Additions to property, plant and equipment and intangible assets	10	(743.9)	(1,003.1)
Acquisition of equity accounted investee	14	–	(67.0)
Proceeds from the disposal of property, plant and equipment		29.8	4.6
Cash received from disposal of business	32	–	254.5
Loan advances to equity accounted investees		(15.0)	(18.3)
Loan repayments from equity accounted investees		3.3	–
Loan repayments from external parties		16.8	2.2
Interest received		14.5	24.7
Net cash outflows from investing activities		(728.1)	(802.4)
Cash flows from financing activities			
Proceeds from borrowings raised	33d	2,591.3	1,169.8
Repayment of borrowings	33d	(2,539.2)	(1,419.4)
Repayments of lease liabilities	33d	(69.3)	(62.2)
Finance costs paid ¹		(298.9)	(366.9)
Acquisition by non-controlling interest		–	0.4
Dividends paid to non-controlling interests		(14.8)	(4.0)
Dividends paid to equity holders of Mpact Limited		(155.4)	(155.2)
Purchase of treasury shares		(32.0)	(58.8)
Net cash outflows from financing activities		(518.3)	(896.3)
Net (decrease)/increase in cash and cash equivalents		(78.1)	93.9
Effect of movements in exchange rates on cash held		(5.4)	0.1
Net cash and cash equivalents at the beginning of the year		975.5	881.5
Net cash and cash equivalents at the end of the year²	33e	892.0	975.5

1. Finance costs paid includes R26.3 million (2024: R24.4 million) from lease liabilities.

2. Bank overdrafts were considered to be part of Mpact's borrowing facilities.

Consolidated Statement of Changes in Equity

for the year ended 31 December 2025

	Stated capital R'm	Share-based payment reserve R'm	Post-retirement benefit reserve R'm	Other reserves ¹ R'm	Treasury shares ² R'm	Retained earnings R'm	Total attributable to equity holders of Mpact Ltd R'm	Non-controlling interest R'm	Total equity R'm
Balance at 1 January 2024	2,360.9	71.5	35.0	(18.6)	(59.1)	2,637.0	5,026.7	440.8	5,467.5
Total comprehensive income for the year	–	–	1.3	(2.2)	–	504.4	503.5	87.4	590.9
Profit for the year	–	–	–	–	–	504.4	504.4	87.7	592.1
Other comprehensive income for the year	–	–	1.3	(2.2)	–	–	(0.9)	(0.3)	(1.2)
Dividends paid ³	–	–	–	–	–	(155.2)	(155.2)	–	(155.2)
Acquisition by non-controlling interest	–	–	–	–	–	–	–	0.4	0.4
Purchase of treasury shares	–	–	–	–	(58.8)	–	(58.8)	–	(58.8)
Share plan charges for the year	–	23.0	–	–	–	–	23.0	–	23.0
Dividends paid to non-controlling interests ⁴	–	–	–	–	–	–	–	(8.0)	(8.0)
Issue/exercise of shares under employee share scheme	–	(40.0)	–	–	62.6	(16.5)	6.1	–	6.1
Balance at 31 December 2024	2,360.9	54.5	36.3	(20.8)	(55.3)	2,969.7	5,345.3	520.6	5,865.9
Total comprehensive income for the year	–	–	(0.9)	(0.4)	–	485.4	484.1	91.6	575.7
Profit for the year	–	–	–	–	–	485.4	485.4	91.6	577.0
Other comprehensive income for the year	–	–	(0.9)	(0.4)	–	–	(1.3)	–	(1.3)
Dividends paid ³	–	–	–	–	–	(155.6)	(155.6)	–	(155.6)
Acquisition of subsidiary with non-controlling interest	–	–	–	–	–	–	–	24.5	24.5
Purchase of treasury shares ⁵	–	–	–	–	(32.0)	–	(32.0)	–	(32.0)
Share plan charges for the year	–	3.3	–	–	–	–	3.3	–	3.3
Dividends declared to non-controlling interests	–	–	–	–	–	–	–	(10.8)	(10.8)
Issue/exercise of shares under employee share scheme	–	(29.7)	–	–	26.8	2.1	(0.8)	–	(0.8)
Balance at 31 December 2025	2,360.9	28.1	35.4	(21.2)	(60.5)	3,301.6	5,644.3	625.9	6,270.2

1. Other reserves consist of foreign currency translation reserve and fair value adjustments to equity investments.

2. Represents the cost of shares purchased in the market and held as share awards under Mpact's share incentive scheme. As at 31 December 2025, there are 2,238,819 (2024: 2,046,850) shares on hand.

3. Dividend paid per share was 105c per share (2024: 105c per share).

4. Of the R8 million dividend declared to the non-controlling interest, R4 million remained unpaid at 31 December 2024.

5. The Share Incentive Trust spent R21.9 million to purchase Mpact shares and a further R10.1 million was spent by Standard Bank Equities to purchase Mpact shares relating to the Mpact Share Plan (refer to note 28).

Notes to the consolidated annual financial statements

for the year ended 31 December 2025

1. Accounting policies

Basis of preparation

These consolidated 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 consolidated annual financial statements have been prepared on the historical cost basis, except for derivative financial instruments, financial instruments at fair value through profit or loss and fair value through other comprehensive income. The consolidated annual financial statements have been prepared on a going concern basis. Management has considered the impact of climate change in preparing these consolidated annual financial statements, 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 consolidated 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.

The basis of preparation is consistent with the prior year, except for new and revised standards adopted. 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

New 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 and issued standards that are not yet effective and have not been early adopted

The following published amendments and issued standards 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
- add 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.

Notes to the consolidated annual financial statements *(continued)*

for the year ended 31 December 2025

1. Accounting policies *(continued)*

• 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.

• 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. Change in accounting estimate

Mpact performed a remaining useful life assessment on items of property, plant and equipment which resulted in changes in the expected usage of certain items. The effect on the current year depreciation and future depreciation was as follows:

	2025 R'm	2026 R'm	2027 R'm	2028 R'm	Beyond 2029 R'm
(Decrease)/increase in depreciation expense	(26.6)	(14.6)	(6.0)	(0.8)	48.0

3. Going concern

The Directors are responsible for ensuring that Mpact is solvent and liquid, and can continue to operate as a going concern. Solvency and liquidity tests were performed in accordance of section 4 of the Companies Act, 2008 based on budgets for the next 12 months which resulted in no adverse ratios.

Net debt as at 31 December 2025 was R2,514.0 million (2024: R2,371.2 million).

Mpact is subject to two financial covenant conditions as defined, namely the Interest Cover ratio, and the Net debt to EBITDA ratio.

	Threshold	at 31 December 2025
Interest Cover ratio	greater than or equal to 3.5 times	5.1 times
Net debt to EBITDA	less than or equal to 3.0 times	1.5 times

Mpact had met these covenants with sufficient headroom and therefore minimal risk exists for any breach of triggers.

The Directors consider that Mpact has adequate resources to continue operating for the foreseeable future and that it is, therefore, appropriate to adopt the going concern basis in preparing the consolidated financial statements. The Directors have satisfied themselves that Mpact is in a sound financial position, and that it has access to sufficient borrowing facilities to meet its foreseeable cash requirements.

Notes to the consolidated annual financial statements *(continued)*

for the year ended 31 December 2025

4. Operating segments

Mpact's operating segments are reported in a manner consistent with the internal reporting provided to the CEO and CFO. The operating segments are made up of the following:

- Paper Manufacturing
- Paper Converting
- Recycling
- FMCG Plastics
- Bins & crates

Management has applied judgement in aggregating operating segments into two reportable segments, Paper and Plastics. The Paper segment comprises paper manufacturing, paper converting and recycling, while the Plastics segment comprises FMCG Plastics and bins & crates.

In assessing aggregation, management considered the nature of products, production processes, types of customers and the competitive operating and financial risk of the operating segments. The operating segments exhibit similar economic characteristics, including comparable gross margins, sales growth and EBITDA to turnover ratio. Accordingly, management believes that aggregation provides meaningful information consistent with the objectives of IFRS 8.

Reportable operating segments

Mpact's reportable segments reflect the internal reporting structure of the Group, which is the basis on which resource allocation decisions are made by management in the attainment of strategic objectives.

Product revenues

The material product types from which reportable segments derive both their internal and external revenues are presented as follows:

Reportable segments	Inter-segment revenues ¹	External revenues
Paper	Recycled containerboard, cartonboard and other materials, corrugated packaging, bags and sacks	Recycled containerboard, cartonboard and other materials, corrugated packaging, bags and sacks
Plastics	Plastic packaging solutions	Plastic packaging solutions
Corporate	N/A	N/A

1. Mpact operates a vertically-integrated structure in order to benefit from economies of scale and to more effectively manage the risk of adverse price movements in key input costs. Internal revenues are therefore generated across the supply chain.

Measurement of operating segment revenues, profit or loss, assets and non-current non-financial assets

Management has oversight of certain operating segmental measurements in order to make resource allocation decisions and monitor segmental performance. The reporting segmental measurements that are required to be disclosed under IFRS 8, adhere to the recognition and measurement criteria presented in the accounting policies.

Special items to determine underlying operating profit

Special items are those items of financial performance that are separately disclosed to assist in the understanding of the underlying financial performance achieved. Such items are material by nature or amount to the financial year's results. These items include impairment charges on tangible and intangible assets, gains recognised on the remeasurement to fair value less cost to sell for property, plant and equipment held for sale, impairment related to equity accounted investees, gain/losses related to fair value remeasurement on previously equity accounted investees, impairment to financial asset investments and impairment of foreign cash balances or reversals of any such items. Restructure costs associated with the closure of a plant, where such cost would typically be included in earnings before interest, tax, depreciation and amortisation (EBITDA), will also be included in special items.

Notes to the consolidated annual financial statements *(continued)*

for the year ended 31 December 2025

4. Operating segments *(continued)*

Sale of goods

Revenue is derived principally from the sale of goods and is measured based on the consideration specified in a contract with customers, after deducting discounts, volume rebates, value added tax and other sales taxes. Returns and refunds are accepted from customers based on individual trade term agreements. Mpact recognises revenue when the goods are accepted by a customer resulting in the performance obligation being satisfied. This is when title and insurance risk has passed to the customer, and the goods have been delivered to a contractually agreed location. The amount of revenue recognised is adjusted for expected returns, which are estimated by management based on the historical data of returns from customers. All goods sold to customers occur at a point in time. Normal discounts and volume rebates are treated as variable consideration which is estimated upfront and adjusted for in the transaction price accordingly. The volume rebates are calculated on a percentage of the total invoiced sales to customers. Mpact does not adjust for the time value of money on sales with a payment term of less than 12 months from the transfer of control of the goods. There are no external customers which account for more than 10% of Mpact's total external revenue.

Service revenue

Mpact provides waste management services to certain of its customers. Revenue is recognised over time as the services are provided.

4(a) Reportable segment revenue

	Segment revenue 2025 R'm	Inter- segment revenue 2025 R'm	External revenue from contracts with customers 2025 R'm	Segment revenue 2024 R'm	Inter- segment revenue 2024 R'm	External revenue from contracts with customers 2024 R'm
Paper	11,823.7	(28.7)	11,795.0	11,007.8	(35.5)	10,972.3
Plastics	2,160.0	(0.4)	2,159.6	2,334.8	(16.4)	2,318.4
	13,983.7	(29.1)	13,954.6	13,342.6	(51.9)	13,290.7

	2025 R'm	2024 R'm
External revenue by product type		
Paper solutions	11,795.0	10,972.3
Recycled containerboard, cartonboard and other materials	5,338.9	4,724.3
Corrugated packaging, bags and sacks	6,456.1	6,248.0
Plastic packaging solutions	2,159.6	2,318.4
Total	13,954.6	13,290.7
Timing of revenue recognition		
Goods transferred at a point in time	13,846.3	13,196.4
Services transferred over time	108.3	94.3
Total	13,954.6	13,290.7

Notes to the consolidated annual financial statements *(continued)*

for the year ended 31 December 2025

4. Operating segments *(continued)*

4(a) Reportable segment revenue *(continued)*

	2025 R'm	Restated ¹ 2024 R'm
External revenue by location of customer		
South Africa (country of domicile)	12,373.7	11,735.7
Paper	10,408.9	9,573.5
Plastics	1,964.8	2,162.2
Mozambique	91.3	116.9
Paper	91.3	116.9
Namibia	384.0	451.0
Paper	383.8	450.5
Plastics	0.2	0.5
Zimbabwe	290.3	251.7
Paper	253.8	203.0
Plastics	36.5	48.7
India	131.4	135.4
Paper	131.4	135.4
Rest of Africa ¹	533.4	534.0
Paper	463.8	480.1
Plastics	69.6	53.9
Rest of World ¹	150.5	66.0
Paper	62.0	12.9
Plastics	88.5	53.1
Total	13,954.6	13,290.7

1. In the current year, Mpact revised its disclosure of external revenue by customer location to correct its prior interpretation of the applicable IFRS requirements. Previously, revenue from Mozambique, Namibia, and Zimbabwe was aggregated under Rest of Africa, while revenue from India was included in Rest of World. As a result, the prior year amount for Rest of Africa was revised from R1,353.6 million to R534.0 million, while the Rest of World amount was revised from R201.4 million to R66.0 million. This amendment affects only the presentation of the disclosure; the consolidated statement of profit or loss and other comprehensive income remains unchanged.

Notes to the consolidated annual financial statements *(continued)*

for the year ended 31 December 2025

4. Operating segments *(continued)*

4(b) Reportable segment operating profit/(loss)

	2025 R'm	Restated ² 2024 R'm
Paper ²	803.7	932.0
Plastics	179.0	89.3
Corporate ²	(39.3)	(37.4)
Inter-segment elimination	(29.5)	(60.7)
Segments total	913.9	923.2
Impairment (charge)/reversal on plant and equipment	(2.6)	2.6
Operating profit	911.3	925.8
Gain on remeasurement of previously held investment in equity accounted investee	44.7	–
Share of profit from equity accounted investees	13.6	18.5
Net finance costs	(244.4)	(297.2)
Profit before tax from continuing operations	725.2	647.1
Significant external components of operating profit		
Material, energy and fixed overhead recovery		
Paper ²	(6,615.7)	(5,925.8)
Plastics	(1,042.4)	(1,272.5)
Total	(7,658.1)	(7,198.3)
Variable selling expenses		
Paper	(897.0)	(826.3)
Plastics	(138.3)	(157.4)
Total	(1,035.3)	(983.7)
Other net operating expenses		
Paper	(2,854.5)	(2,696.5)
Plastics	(579.6)	(605.4)
Corporate	(307.7)	(305.4)
Total	(3,741.8)	(3,607.3)

2. In the current year, Mpact revised its allocation of unrealised profit in stock relating inter-company sales after determining that the transactions in both the current and prior year occurred within the Paper segment. Previously, all inter-segmental eliminations of unrealised profit in stock had been reported in the Corporate segment as it related to elimination of both the Paper and Plastics segment. Comparative figures have been adjusted to reallocate this unrealised profit in stock from the Corporate to the Paper segment resulting in a change in presentation of segmental information. This reallocation increased the Paper segment's operating profit by R22.9 million and increased the Corporate segment's operating loss by the same amount, with no other impact.

Notes to the consolidated annual financial statements *(continued)*

for the year ended 31 December 2025

4. Operating segments *(continued)*

4(b) Reportable segment operating profit/(loss) *(continued)*

	2025 R'm	2024 R'm
Material expenses included in other net operating expenses		
Staff costs		
Paper	(1,787.7)	(1,653.5)
Plastics	(373.2)	(372.7)
Corporate	(129.4)	(127.0)
Total	(2,290.3)	(2,153.2)
Maintenance expenses		
Paper	(528.8)	(536.7)
Plastics	(99.7)	(122.9)
Corporate	(0.4)	(0.8)
Total	(628.9)	(660.4)
Depreciation and amortisation excluding impairments		
Paper ³	(361.7)	(330.8)
Plastics	(165.1)	(171.8)
Corporate	(78.7)	(75.6)
Total	(605.5)	(578.2)
Impairment (charge)/reversal on plant and equipment, and goodwill		
Paper	–	1.1
Plastics	(2.6)	1.5
Total	(2.6)	2.6
Total depreciation, amortisation and impairment	(608.1)	(575.6)

3. Excludes inter-group depreciation relating to right-of-use asset of R106.3 million (2024: R105.1 million) for the paper segment.

	2025 R'm	2024 R'm
Non-current non-financial assets⁴		
South Africa (country of domicile)	6,054.6	5,688.0
Rest of Africa	70.4	41.7
Total	6,125.0	5,729.7
Non-current non-financial assets⁴		
Paper	4,041.3	3,534.6
Plastics	1,083.1	1,188.4
Corporate	1,000.6	1,006.7
Total	6,125.0	5,729.7

4. Non-current non-financial assets consist of goodwill and other intangible assets, property, plant and equipment and investment property but excludes deferred tax assets and right-of-use assets.

Notes to the consolidated annual financial statements *(continued)*

for the year ended 31 December 2025

4. Operating segments *(continued)*

4(c) Reportable segment assets

	2025 R'm	2024 R'm
Segment assets		
Paper	8,310.8	7,532.4
Plastics	1,813.1	2,033.3
Corporate	1,030.5	1,015.8
Inter-segment elimination	(54.2)	(12.3)
Segment total	11,100.2	10,569.2
Unallocated:		
Investments in equity accounted investees	146.4	182.1
Deferred tax assets	96.5	94.5
Derivative financial instruments	–	5.9
Other non-operating receivables	203.3	119.3
Current tax receivable	9.3	5.5
Trading assets	11,555.7	10,976.5
Financial assets	52.0	52.7
Cash and cash equivalents	892.0	975.5
Total assets	12,499.7	12,004.7
Segment assets		
Property, plant and equipment	5,468.4	5,303.7
Goodwill and other intangible assets	531.4	426.0
Investment property	125.2	–
Right-of-use assets	218.3	221.5
Inventories	2,160.8	2,156.2
Operating receivables	2,596.1	2,461.8
Total segment assets	11,100.2	10,569.2
Property, plant and equipment	3,586.3	3,192.9
Goodwill and other intangible assets	454.8	341.7
Right-of-use assets	170.0	180.8
Inventories	1,886.2	1,835.3
Operating receivables	2,213.5	1,981.7
Total paper segment assets	8,310.8	7,532.4
Property, plant and equipment	927.3	1,121.8
Investment property	89.2	–
Goodwill and other intangible assets	66.6	66.6
Right-of-use assets	34.2	38.5
Inventories	274.7	327.8
Operating receivables	421.1	478.6
Total plastics segment assets	1,813.1	2,033.3

Notes to the consolidated annual financial statements *(continued)*

for the year ended 31 December 2025

4. Operating segments *(continued)*

4(c) Reportable segment assets *(continued)*

	2025 R'm	2024 R'm
Additions to non-current non-financial assets⁵		
South Africa (country of domicile)	711.9	974.8
Rest of Africa	32.0	16.7
Segments total	743.9	991.5
Additions to non-current non-financial assets⁵		
Paper	600.6	706.4
Plastics	64.5	229.5
Corporate	78.8	55.6
Segments total	743.9	991.5

5. Additions to non-current non-financial assets reflect cash payments and accruals in respect of additions to property, plant and equipment and intangible assets and excludes additions to assets held for sale.

5. Operating profit

	2025 R'm	2024 R'm
Operating profit for the year has been arrived at after charging/(crediting):		
Depreciation, amortisation and impairments	608.1	575.6
Amortisation of intangibles (refer to note 9)	10.8	8.3
Depreciation of property, plant and equipment (refer to note 10)	514.1	501.8
Depreciation of investment property (refer to note 11)	5.5	–
Depreciation of right-of-use assets (refer to note 13)	75.1	68.1
Impairment charge/(reversal) on plant and equipment (refer to note 12)	2.6	(2.6)
Expenses relating to short-term leases	31.9	33.8
Expenses relating to leases of low value assets	6.2	5.9
Increase in expected credit loss allowance (refer to note 17b)	24.2	30.2
Write-down of inventories during the year	54.8	47.7
Reversal of write-down of inventories during the year	(10.0)	(57.7)
Net foreign currency losses/(gains)	46.7	(3.5)
Proceeds from insurance claims	(17.8)	(25.1)
Profit on disposal of tangible assets	(3.8)	(3.5)
Profit on derecognition of right-of-use assets and lease liabilities	–	(0.6)
Audit fees – PwC	15.7	14.4
Non-audit fees – PwC	0.1	0.1
Audit fees – Other audit firms	0.1	–
Maintenance expenses	628.9	660.4
Staff costs (excluding Directors' emoluments)	2,254.9	2,117.8
Executive Directors' and Prescribed Officers' short-term benefits ¹	34.0	33.8
Executive Directors' and Prescribed Officers' post-employment benefits ¹	1.4	1.5

1. Excludes the value of deferred bonus shares awarded. The details of the Executive Directors' and Prescribed Officers' emoluments are disclosed in note 40.

The cost of inventories recognised as an expense is equal to material, energy and fixed overhead recovery as disclosed in the statement of profit or loss. The majority of the total expenses is made up of the cost of inventories.

Notes to the consolidated annual financial statements *(continued)*

for the year ended 31 December 2025

6. Net finance costs

Net finance costs comprise interest income and finance costs. Interest income consists mainly of interest income which is derived from cash and cash equivalents, loans and other receivables. Interest income is accrued on a time proportion basis by reference to the capital outstanding and at the effective interest rate applicable.

Finance costs consist of interest expense on borrowings, overdrafts and lease liabilities and are recognised using the effective interest method.

Finance cost on defined benefit arrangements are charged to the profit and loss statement in accordance with the actuarial valuation report in respect of Mpact's post-retirement benefit obligation.

Finance costs of qualifying assets are capitalised as part of the cost of these assets. A qualifying asset is an asset that necessarily takes at least a year to get ready for its intended use.

Apart from finance cost on the defined benefit arrangements, where the actuarial report includes certain assumptions in arriving at the closing balance of the liability, there were no other material accounting estimates or judgement.

	2025 R'm	2024 R'm
Interest income		
Bank deposits and loan receivables	14.4	17.2
Loans to equity accounted investees	3.1	1.2
Other	0.6	6.1
Total interest income	18.1	24.5
Finance expense		
Bank overdrafts and loans	(304.2)	(340.7)
Interest capitalised on qualifying assets ¹	71.1	47.1
Lease liabilities	(26.3)	(24.4)
Defined benefit arrangements (refer to note 23)	(3.1)	(3.7)
Total finance expense	(262.5)	(321.7)
Net finance costs	(244.4)	(297.2)

1. The borrowing costs were calculated using a capitalisation rate of 8.42% (2024: 9.38%).

7. Tax expense

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

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.

Deferred tax assets and liabilities are offset when they relate to income taxes levied by the same tax authority and Mpact intends to settle their current tax assets and liabilities on a net basis.

The recognition of an assessed loss in deferred tax is dependent on the future profits of a subsidiary in the foreseeable future. These profits include assumptions which, if not met, may result in a derecognition of assessed loss from deferred tax.

Notes to the consolidated annual financial statements *(continued)*

for the year ended 31 December 2025

7. Tax expense *(continued)*

A Group subsidiary recognised a R43.5 million (2024: R72.6 million) deferred tax asset in respect of unrecognised tax losses. The recognition was based on sufficient taxable income in the foreseeable future and existing taxable temporary differences.

	2025 R'm	2024 R'm
Analysis of tax charge for the year		
South African – current year	(51.7)	(113.4)
– prior year ¹	4.9	53.6
South African current tax	(46.8)	(59.8)
Foreign subsidiary current tax – current year	–	(1.5)
– prior year	(0.7)	–
Total current tax	(47.5)	(61.3)
Deferred tax in respect of the current year ²	(101.7)	9.6
Deferred tax in respect of prior year ³	1.0	(25.7)
Total tax expense	(148.2)	(77.4)

1. Relates to tax allowances claimed on submission of tax return (2024: Relates to s11D, s12H, s12L and s12BA tax allowances claimed on submission of tax return).

2. The increase is primarily attributable to the s12C tax allowances on the commissioning of the Mkhondo mill offset by the recognition of deferred tax assets on current year tax losses.

3. The prior year expense relates to the change in the tax value of plant and equipment as a consequence of the tax allowances claimed.

Factors affecting tax expense for the year

Mpact's tax charge for the year can be reconciled to the tax on Mpact's profit before tax at the South African corporate tax rate as follows:

	2025 R'm	2024 R'm
Profit before tax from continuing operations	725.2	647.1
Less share of profit of equity accounted investees ¹	(13.6)	(18.5)
Profit before tax, adjusted for equity accounted profit and discontinued operation	711.6	628.6
Tax on profit before tax calculated at the South African corporate tax rate at 27% (2024: 27%)	(192.1)	(169.7)
Tax effects of:		
Expenses not deductible for tax purposes		
Subscription and donations	(0.3)	(0.2)
Legal and professional costs	(1.3)	(5.8)
Non-deductible expenses attributable to exempt income	(0.1)	(2.2)
Other non-deductible expenses	(0.8)	(1.2)
Non-deductible foreign exchange differences	(0.5)	–
Non-taxable loss on sale of plant and equipment	(0.7)	–
Non-taxable income		
Non-taxable foreign exchange differences	–	0.5
Section 12I additional investment allowances and other manufacturing incentives	0.5	1.0
Non-taxable profit on sale of plant and equipment	–	0.2
Temporary difference adjustments		
Non-deductible scrapping allowances	(1.4)	–
Recognition of deferred tax assets on previously unrecognised tax losses	43.5	72.6
Effect of difference between South African corporate tax rate and other country tax rate	(0.2)	(0.5)
Prior year adjustment on current tax	4.9	53.6
Prior year adjustment on deferred tax	1.0	(25.7)
Prior year adjustment on foreign tax	(0.7)	–
Tax charge for the year	(148.2)	(77.4)

1. Profit or loss from equity accounted investees is presented net of tax on the consolidated statement of profit or loss and other comprehensive income. Mpact's share of its investees' tax is therefore not presented within the Mpact's total tax charge. The investees' tax charge included within "Share of investees" profit for the year ended is R4.0 million (2024: R10.3 million).

Notes to the consolidated annual financial statements *(continued)*

for the year ended 31 December 2025

8. Earnings per share

Basic EPS is calculated by dividing net profit attributable to ordinary equity holders of Mpact by the weighted average number of ordinary shares in issue during the year. For this purpose, net profit is defined as the profit after tax and special items attributable to equity holders of Mpact. Refer to note 4 for the definition of special items.

For diluted EPS, the weighted average number of ordinary shares in issue is adjusted to assume conversion of all dilutive potential ordinary shares, such as share awards granted to employees. Potential or contingent share issuances are treated as dilutive when their conversion to shares would decrease EPS. The effect of anti-dilutive potential shares is excluded from the calculation of diluted EPS.

The presentation of headline EPS is mandated under the JSE Listings Requirements and is calculated in accordance with Circular 1/2023, "Headline Earnings", as issued by the South African Institute of Chartered Accountants.

Underlying earnings is arrived at after adjusting profit attributable to equity holders of Mpact for special items, net of tax and is a non-IFRS measure. It is included to assist the user's understanding of the underlying earnings performance in the current financial year. The underlying earnings calculation is the responsibility of Mpact's Directors.

	2025 Cents per share	2024 Cents per share
Continuing operations earnings per share (EPS)		
Basic EPS	329.3	327.1
Diluted EPS	329.2	326.4
Basic headline EPS	306.6	323.6
Diluted headline EPS	306.5	322.9
Basic underlying EPS ¹	308.5	325.8
Diluted underlying EPS ¹	308.4	325.1
Discontinued operations earnings per share (EPS)		
Basic EPS	–	15.2
Diluted EPS	–	15.2
Basic headline EPS	–	16.6
Diluted headline EPS	–	16.5
Basic underlying EPS ¹	–	16.6
Diluted underlying EPS ¹	–	16.5
Total operations earnings per share (EPS)		
Basic EPS	329.3	342.3
Diluted EPS	329.2	341.6
Basic headline EPS	306.6	340.2
Diluted headline EPS	306.5	339.4
Basic underlying EPS ¹	308.5	342.4
Diluted underlying EPS ¹	308.4	341.6

1. Underlying earnings is arrived at after adjusting profit attributable to equity holders of Mpact for special items, net of tax.

Notes to the consolidated annual financial statements *(continued)*

for the year ended 31 December 2025

8. Earnings per share *(continued)*

The calculation of basic and diluted EPS, basic and diluted headline EPS and basic and diluted underlying EPS are based on the following data:

	2025 R'm	2024 R'm
Continuing operations		
Profit for the year	577.0	569.7
Less profit attributable to non-controlling interest	(91.6)	(87.7)
Profit for the year attributable to equity holders of Mpact	485.4	482.0
Discontinued operation		
Profit for the year	–	22.4
Profit for the year attributable to equity holders of Mpact	–	22.4
Profit from total operations attributable to equity holders of Mpact	485.4	504.4
	Gross R'm	Net R'm
Continuing operations		
Headline earnings		
2025		
Profit for the financial year attributable to equity holders of Mpact		485.4
Gain on remeasurement of previously held investment in equity accounted investee (refer to note 14)	(44.7)	(32.6)
Impairment of plant and equipment (refer to note 12)	2.6	1.9
Profit on disposal of tangible assets	(3.8)	(2.8)
Headline earnings for the financial year		451.9
2024		
Profit for the financial year attributable to equity holders of Mpact		482.0
Impairment reversal of plant and equipment (refer to note 12)	(2.6)	(1.9)
Profit on derecognition of right-of-use assets and lease liabilities	(0.6)	(0.6)
Profit on disposal of tangible assets	(3.5)	(2.6)
Headline earnings for the financial year		476.9
Underlying earnings		
2025		
Profit for the financial year attributable to equity holders of Mpact		485.4
Impairment of plant and equipment (refer to note 12)	2.6	1.9
Gain on remeasurement of previously held investment in equity accounted investee (refer to note 14)	(44.7)	(32.6)
Underlying earnings for the financial year		454.7
2024		
Profit for the financial year attributable to equity holders of Mpact		482.0
Impairment reversal of plant and equipment and goodwill (refer to note 12)	(2.6)	(1.9)
Underlying earnings for the financial year		480.1
Discontinued operation		
Headline earnings		
2024		
Profit for the financial year attributable to equity holders of Mpact		22.4
Loss on sale of business	2.7	2.0
Headline earnings and underlying earnings for the financial year		24.4

Notes to the consolidated annual financial statements *(continued)*

for the year ended 31 December 2025

8. Earnings per share *(continued)*

	2025 R'm Weighted number of shares	2024 R'm Weighted number of shares
Weighted average number of ordinary shares in issue ²	147,392,670	147,364,706
Effect of dilutive potential ordinary shares ³	61,157	311,702
Weighted average number of ordinary shares adjusted for the effect of dilution	147,453,827	147,676,408

2. The weighted average number of shares takes into account the weighted average effect of changes in treasury shares during the year.

3. The weighted average number of ordinary shares in issue is adjusted to assume conversion of all dilutive potential ordinary shares, such as share awards granted to employees.

9. Goodwill and other intangible assets

Goodwill

Any excess of the cost of acquisition over the fair value of the identifiable net assets acquired is attributed to goodwill. Goodwill is subsequently measured at cost less any accumulated impairment losses.

Goodwill arising on business combinations is allocated to the group of cash-generating units that are expected to benefit from the synergies of the combination and represents the lowest level at which goodwill is monitored by the Board for internal management purposes. The recoverable amount of the group of cash-generating units to which goodwill has been allocated is tested for impairment annually on a consistent date during each financial year, or when such events or changes in circumstances indicate that it may be impaired. Any impairment is recognised in the consolidated statement of profit or loss. Impairments of goodwill are not subsequently reversed.

Other intangible assets

Other intangibles are measured initially at purchase cost and are amortised on a straight-line basis over their estimated useful lives. Estimated useful lives vary between three and ten years and are reviewed at least annually. Other intangibles are stated at cost less accumulated amortisation and impairment losses. Research expenditure is written off in the year in which it is incurred. Development costs are reviewed annually and are recorded as an expense if they do not qualify for capitalisation. Development costs are capitalised when the completion of the asset is both commercially and technically feasible and is amortised on a systematic basis over the economic life of the related development.

The estimated useful lives of customer relationships are based on the expected use together with any legal, regulatory or contractual provisions that may limit the useful life.

There were no material accounting estimates and critical judgements used in arriving at the carrying value of other intangible assets. Refer to note 12 for material accounting estimates and critical judgements for goodwill.

Notes to the consolidated annual financial statements *(continued)*

for the year ended 31 December 2025

9. Goodwill and other intangible assets *(continued)*

	Goodwill R'm	Other intangibles ¹ R'm	Total R'm
2025			
Cost			
1 January	1,045.0	213.8	1,258.8
Acquisition of business (see note 31)	55.6	60.6	116.2
31 December	1,100.6	274.4	1,375.0
Accumulated amortisation and impairment			
1 January	640.9	191.9	832.8
Amortisation	–	10.8	10.8
31 December	640.9	202.7	843.6
Net book value at 31 December 2025	459.7	71.7	531.4
2024			
Cost			
1 January	1,045.0	228.2	1,273.2
Additions	–	0.1	0.1
Disposals	–	(14.5)	(14.5)
31 December	1,045.0	213.8	1,258.8
Accumulated amortisation and impairment			
1 January	640.9	198.1	839.0
Amortisation	–	8.3	8.3
Disposals	–	(14.5)	(14.5)
31 December	640.9	191.9	832.8
Net book value at 31 December 2024	404.1	21.9	426.0

1. Net book value of other intangibles mainly relate to customer relationships capitalised as a result of business combinations and contractual arrangements.

	2025 R'm	2024 R'm
Goodwill allocated to the cash-generating units are as follows:		
Recycling	23.9	23.9
Felixton Mill	251.8	251.8
Corrugated operations	62.1	62.1
Corrugated Western Cape	55.6	–
FMCG Plastics	65.0	65.0
Bins & crates	1.3	1.3
	459.7	404.1

10. Property, plant and equipment

Property, plant and equipment comprise land and buildings, plant and equipment, other assets and assets in the course of construction. Other assets mainly comprise furniture, computer equipment and vehicles. Property, plant and equipment is stated at cost less accumulated depreciation and impairment losses. Cost includes all costs incurred in bringing the assets to the location and condition for their intended use and includes borrowing costs incurred up to the date of commissioning.

Depreciation is charged so as to write off the cost of assets, other than land and assets in the course of construction which are not depreciated, over their estimated useful lives to their estimated residual values. Residual values and useful lives are reviewed at least annually.

Notes to the consolidated annual financial statements *(continued)*

for the year ended 31 December 2025

10. Property, plant and equipment *(continued)*

Assets in the course of construction are carried at cost, less any recognised impairment. Buildings, plant and equipment, and other assets are depreciated to their residual values at varying rates, on a straight-line basis over their estimated useful lives.

Estimated useful lives are as follows:

- Buildings: to a maximum of thirty five years;
- Plant and equipment: three years to thirty years; and
- Other assets: three years to twenty five years.

Estimated residual values and useful economic lives

The carrying values of certain tangible fixed assets are sensitive to assumptions relating to projected residual values and useful economic lives, which determine the depreciable amount and the rate at which capital expenditure is depreciated respectively. Mpact reassesses these assumptions at least annually or more often if there are indications that they require revision. Estimated residual values are based on available secondary market prices as at the reporting date, unless estimated to be zero. Useful economic lives are based on the expected usage, wear and tear, technical or commercial obsolescence and legal limits on the usage of capital assets. Refer to note 2 for details of the impact of the useful life reassessment in the current year.

Mpact has pledged certain of its property, plant and equipment, other than assets under leases, as security in respect of the bank loans, refer note 21. Refer to note 12 for the impairment of property, plant and equipment.

The Mkhondo mill upgrade, previously reflected under assets in the course of construction, was successfully commissioned during the current financial year. Accordingly, R1.2 billion had been transferred from assets in the course of construction and capitalised as plant and equipment.

	Land and buildings R'm	Plant and equipment R'm	Assets in the course of construction R'm	Other ¹ R'm	Total R'm
2025					
Cost					
1 January	1,684.3	8,113.7	1,156.9	561.1	11,516.0
Additions	–	8.7	731.4	3.8	743.9
Acquisition of business (refer to note 31)	8.1	13.2	–	2.3	23.6
Interest capitalised on qualifying assets	–	–	71.1	–	71.1
Disposals	(40.6)	(187.4)	–	(15.6)	(243.6)
Foreign currency translation	(0.2)	(0.3)	–	(0.6)	(1.1)
Transfer to/from assets in the course of construction	54.0	1,564.7	(1,658.7)	40.0	–
Transfer to investment property (refer to note 11)	(156.2)	–	–	–	(156.2)
Reclassification	12.3	(22.1)	–	9.8	–
31 December	1,561.7	9,490.5	300.7	600.8	11,953.7
Accumulated depreciation and impairment					
1 January	383.2	5,457.6	–	371.5	6,212.3
Depreciation	71.3	391.7	–	51.1	514.1
Impairment	–	2.6	–	–	2.6
Disposals	(19.6)	(183.0)	–	(15.0)	(217.6)
Foreign currency translation	(0.2)	(0.1)	–	(0.3)	(0.6)
Transfer to investment property (refer to note 11)	(25.5)	–	–	–	(25.5)
Reclassification	(1.2)	(8.8)	–	10.0	–
31 December	408.0	5,660.0	–	417.3	6,485.3
Net book value at 31 December 2025	1,153.7	3,830.5	300.7	183.5	5,468.4

1. Comprises computer equipment with a cost of R260.3 million (2024: R230.1 million) and accumulated depreciation of R181.9 million (2024: R154.1 million), vehicles with a cost of R282.0 million (2024: R260.0 million) and accumulated depreciation of R184.9 million (2024: R169.4 million), furniture and other equipment with a cost of R58.5 million (2024: R71.0 million) and accumulated depreciation of R50.5 million (2024: R48.0 million).

Notes to the consolidated annual financial statements *(continued)*

for the year ended 31 December 2025

10. Property, plant and equipment *(continued)*

	Land and buildings R'm	Plant and equipment R'm	Assets in the course of construction R'm	Other R'm	Total R'm
2024					
Cost					
1 January	1,611.8	7,846.5	843.6	501.2	10,803.1
Additions ²	35.9	20.8	929.9	4.8	991.4
Interest capitalised on qualifying assets	–	–	47.1	–	47.1
Disposals	(57.7)	(283.1)	–	(27.7)	(368.5)
Transfer from held for sale ³	–	42.9	–	–	42.9
Transfer to/from assets in the course of construction	94.3	486.6	(663.7)	82.8	–
31 December	1,684.3	8,113.7	1,156.9	561.1	11,516.0
Accumulated depreciation and impairment					
1 January	372.4	5,334.9	–	353.2	6,060.5
Depreciation	68.5	388.2	–	45.1	501.8
Disposals	(57.7)	(282.9)	–	(26.8)	(367.4)
Transfer from held for sale ³	–	20.0	–	–	20.0
Reversal of impairments	–	(2.6)	–	–	(2.6)
31 December	–	5,457.6	–	371.5	6,212.3
Net book value at 31 December 2024	1,301.1	2,656.1	1,156.9	189.6	5,303.7

2. Excludes additions from assets held for sale amounting to R11.6 million.

3. Relates to solar and generators which were excluded from the Versapak sale transaction.

	2025 R'm	2024 R'm
Split of land and buildings between freehold and leasehold		
Freehold	1,131.6	1,278.2
Leasehold improvements – long term	22.1	22.8
Leasehold improvements – short term	–	0.1
Total land and buildings	1,153.7	1,301.1

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

11. 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, over their estimated useful lives to their estimated residual values. Buildings have an estimated useful life of up to a maximum of 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.

Notes to the consolidated annual financial statements *(continued)*

for the year ended 31 December 2025

11. Investment property *(continued)*

Residual values and useful lives are reviewed at least annually.

During the current year, land and buildings with a carrying value of R130.7 million were reclassified from property, plant and equipment. These land and buildings were previously utilised by group subsidiaries and subsequently leased to external parties.

Mpact has leased the land and buildings under an operating lease. The lease term is five years.

Mpact recognises lease payments received under operating leases as income on a straight-line basis over the lease term.

Mpact has pledged one of its investment properties as security in respect of the bank loans, refer note 21.

	Land and buildings R'm
2025	
Cost	
1 January	–
Transfers from property, plant and equipment	156.2
31 December	156.2
Accumulated depreciation	
1 January	–
Transfers from property, plant and equipment	(25.5)
Depreciation	(5.5)
31 December	(31.0)
Net book value	125.2

Direct operating expenses arising from investment properties that generated rental income amounting to R7.4 million 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 R263.6 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 income capitalisation approach were as follows:

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

The outstanding undiscounted receivables were:

	R'm
Within one year	28.2
One to two years	30.2
Two to five years	61.2
	119.6

12. Impairment of goodwill and plant and equipment

Where indicators exist at reporting date, Mpact reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets are impaired, excluding goodwill which is annually tested for impairment. The recoverable amount of the asset is estimated in order to determine the extent of the impairment, if any. Where the asset does not generate cash flows that are independent from other assets, Mpact estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Notes to the consolidated annual financial statements *(continued)*

for the year ended 31 December 2025

12. Impairment of goodwill and plant and equipment *(continued)*

An impairment is recognised as an expense in the statement of profit or loss. Where the underlying circumstances change such that a previously recognised impairment on property, plant and equipment subsequently reverses, the carrying amount of the asset, or cash-generating unit, 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, or cash-generating unit, in prior years. A reversal of an impairment is recognised in the statement of profit or loss.

Impairment exists when the carrying value of an asset or cash-generating unit exceeds its recoverable amount, which is the higher of its fair value less cost of disposal and its value-in-use.

Mpact assesses annually whether goodwill have suffered any impairment, in accordance with the stated accounting policy. Tangible and intangible assets are assessed when an impairment indicator exists. The recoverable amounts of goodwill allocated to cash-generating units, tangible and intangible assets are determined based on value-in-use calculations, discounted cash flow models (DCF), which require the exercise of management's judgement across a range of input assumptions and estimates. The principal assumptions used relate to the time value of money and expected future cash flows. The recoverable amount is sensitive to the discount rate and terminal growth rate used in the DCF model.

CGU impairment testing, key assumptions and significant estimates

For the purpose of impairment testing, goodwill is tested at a CGU level as it was allocated to a CGU at initial recognition as well as property, plant and equipment is done at a CGU level.

The recoverable amount of the CGUs was determined based on a value-in-use calculation, discounting the future cash flows expected to be generated using weighted-average cost of capital rates. The discount rates used in discounted cash flow models are calculated using the principles of the capital asset pricing model, taking into account current market conditions. The cash flow projections were based on the 2026 to 2028 budgeted results and a reasonable growth rate, 4.2% (2024: 4.5%), applied for a further two years based on market conditions and historic trends. The increase in revenue and input cost assumptions in the budget are derived from a combination of economic and sales forecasts, management projections and historical performance. A perpetuity growth rate was applied based on historical market trends and operating markets. A terminal value growth rate of 4.2% (2024: 4.5%) was used.

Additional key assumptions used in the estimation of the recoverable amount of the CGUs are as follows:

	Pre-tax discount rate		Post-tax discount rate		Five-year average annualised revenue growth	
	2025 %	2024 %	2025 %	2024 %	2025 %	2024 %
CGUs						
Recycling	16.9	19.0	10.90	12.6	5.2	4.2
Felixton Mill	14.0	16.5	10.90	12.6	4.0	7.6
Corrugated operations	14.6	17.1	10.90	12.6	6.6	8.1
FMCG Plastics	14.4	16.5	11.60	12.6	10.6	9.4
Corrugated Western Cape	12.5	–	10.90	–	4.1	–

	2025 R'm	2024 R'm
Impairment charge/(reversal) on plant and equipment		
Recycling ¹	–	(1.1)
Preforms & closures ¹	–	(1.5)
Mpact Plastic Containers Castlview ¹	2.6	–
	2.6	(2.6)
Total charge/(reversal) of impairment	2.6	(2.6)

1. Related to a specific plant and equipment.

Notes to the consolidated annual financial statements *(continued)*

for the year ended 31 December 2025

12. Impairment of goodwill and plant and equipment *(continued)*

Sensitivity analysis on CGUs that include goodwill not impaired

In performing the impairment test for goodwill in respect of the CGUs, Mpact considered the sensitivity of changes in assumptions around key value drivers. The key value drivers are discount rates and terminal value growth assumptions. The pre-tax and post-tax discount rates at which the CGUs' carrying value would equal its recoverable value are as follows:

	Pre-tax discount rate %	Post-tax discount rate %
Recycling	21.8	13.9
Felixton Mill	25.3	18.6
Corrugated operations	22.5	16.0
FMCG Plastics	23.6	18.4
Corrugated Western Cape	31.8	26.6

A reasonable variation in the five-year average annualised revenue growth would not cause the carrying value of the CGUs to equal its recoverable value.

Impairment assessment of Springs Mill

Mpact performed an impairment assessment of Springs Mill at 31 December 2025 following the identification of impairment indicators during the year, primarily arising from significant overcapacity in the global cartonboard market and the prevailing Rand exchange rate. The assessment applied a pre-tax discount rate of 15.3%, a post-tax discount rate of 10.9%, and assumed average annualised revenue growth of 5.7% over a five-year forecast period. The recoverable amount of Springs Mill was determined to exceed its carrying amount, and accordingly, no impairment loss had been recognised at year-end. Sensitivity analysis indicated that a pre-tax discount rate of 18.2% and a post-tax discount rate of 12.8% would reduce the recoverable amount to equal the carrying value. Springs Mill does not include goodwill.

13. Right-of-use assets

To the extent that a right-of-control exists over an asset subject to a lease, with a lease term exceeding one year, a right-of-use asset, representing Mpact's right to use the underlying leased asset, and a lease liability, representing Mpact's obligation to make lease payments, are recognised in the consolidated statement of financial position at the commencement of the lease.

The right-of-use asset is measured initially at cost and includes the amount of initial measurement of the lease liability, any initial direct costs incurred, including advance lease payments, and an estimate of the dismantling, removal and restoration costs required in terms of the lease. Depreciation is charged so as to depreciate the right-of-use asset from the commencement date to the end of the lease term under the straight-line method. The lease term shall include the period of an extension option where it is reasonably certain that the option will be exercised. When it is reasonably certain that a purchase option will be exercised, the asset is written over its useful life. Right-of-use assets are stated at cost less accumulated depreciation and impairment losses.

Lease expenses for leases with a duration of one year or less and low-value assets are charged to the consolidated statement of profit or loss when incurred. Low-value assets are based on qualitative and quantitative criteria.

Notes to the consolidated annual financial statements *(continued)*

for the year ended 31 December 2025

13. Right-of-use assets *(continued)*

Mpact leases land and buildings and vehicles. Information about leases for which Mpact is a lessee is presented below:

	Land and buildings R'm	Vehicles R'm	Total R'm
2025			
Net book value			
1 January	215.3	6.2	221.5
Additions	61.2	13.6	74.8
Disposals	(2.5)	–	(2.5)
Depreciation	(70.6)	(4.5)	(75.1)
Re-measurement	(0.3)	(0.1)	(0.4)
31 December	203.1	15.2	218.3
2024			
Net book value			
1 January	178.4	2.3	180.7
Additions	102.3	7.7	110.0
Disposals	(1.1)	–	(1.1)
Depreciation	(64.3)	(3.8)	(68.1)
31 December	215.3	6.2	221.5

Mpact leases various buildings, warehouses and vehicles. Rental contracts are typically entered into for fixed periods of 24 months to 93 months.

Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any security interests in the leased assets that are held by the lessor.

Extension options are included in certain land and buildings lease agreements. These are used to maximise operational flexibility in terms of managing the assets used in Mpact's operations. The extension options held are exercisable only by Mpact and not by the respective lessor. The lease agreements do not contain purchase options.

14. Investments in equity accounted investees

Associates are investments over which Mpact is in a position to exercise significant influence, but does not have control or joint control, through participation in the financial and operating policy decisions of the investee. Typically, Mpact owns between 20% and 49% of the voting equity of its associates. A joint venture is an arrangement in which Mpact has joint control, whereby Mpact has rights to the net assets of the arrangement, rather than rights to its assets and obligations for its liabilities. Investments in associates and joint ventures are accounted for using the equity method of accounting. Mpact's share of the associates and joint ventures net income, presented net of tax, is based on financial statements drawn up to reporting dates that are either coterminous with that of the Group or no more than three months prior to that date.

The total carrying values of investments in associates and joint venture represent the cost of each investment including the carrying value of goodwill, the share of post-acquisition retained earnings, any other movements in reserves and any long-term debt interests which in substance form part of Mpact's net investment in that entity. The carrying values are reviewed on a regular basis and if an impairment has occurred, it is written off in the year in which those circumstances arose. Mpact's share of an associate and joint venture losses in excess of its interest in those investments are not recognised unless Mpact has an obligation to fund such losses. The value of the equity accounted investees are individually insignificant in relation to the Group. The operating activities of the equity accounted investees are similar to those of Mpact. Refer to note 38 for interest in associates and joint arrangements.

Notes to the consolidated annual financial statements *(continued)*

for the year ended 31 December 2025

14. Investments in equity accounted investees *(continued)*

Significant judgements

Mpact applies significant judgement when performing the assessment of control over Dalisu Holdings Proprietary Limited (Dalisu). Management's assessment of control includes, but is not limited to the following factors:

Relevant activities

- The production and sale of goods. These are mainly managed by 12-month sales contracts and the supply agreement between Mpact Operations and Dalisu;
- decisions over asset purchases over R1 million for the construction of the Dalisu plant; and
- managing the funding of Dalisu.

Decision-making over the relevant activities

Resolutions for the above decisions require the approval of both shareholders to pass.

Variable returns

Mpact's exposure to the variability of returns of Dalisu are higher than that of the other shareholder as a result of the subordination of working capital loans provided to Dalisu, refer to note 15, in favour of the IDC. Mpact has also made a significant equity contribution into Dalisu and has pledged its shares to the IDC as security for the IDC debt of Dalisu.

Other relationships

Mpact has relationships with Dalisu such as a product supply agreement, a lease agreement for a nominal amount and assistance with administrative-related activities. It is also noted that the other co-shareholders are previous employees of Mpact. These relationships were considered in detail. It was concluded that none of these relationships gave Mpact the right to unilaterally control the relevant decisions of Dalisu.

Based on the above considerations, management has concluded that Mpact jointly controls Dalisu as they cannot unilaterally make decisions about the relevant activities of Dalisu. As such, Dalisu is accounted for as a joint venture, which is equity accounted.

	2025 R'm	2024 R'm
Associates		
1 January – carrying amount	141.0	61.9
Share of profit	18.1	28.4
Gain on remeasurement of previously held investment ¹	44.7	–
Addition ²	–	67.0
Derecognition due to change of ownership ¹	(76.0)	–
Dividends received	(18.0)	(16.3)
31 December – carrying amount	109.8	141.0
Joint venture³		
1 January – carrying amount	41.1	51.0
Share of loss	(4.5)	(9.9)
31 December – carrying amount	36.6	41.1
Total investment in equity accounted investees⁴	146.4	182.1

1. Mpact increased its shareholding in Seyfert Corrugated Western Cape Proprietary Limited from 49% to 74% with effect from 1 August 2025. As a result of the increased interest, Seyfert Corrugated Western Cape Proprietary Limited was classified as a subsidiary. The previously equity accounted investment was remeasured at fair value, resulting in a gain of R44.7 million.

2. Mpact acquired a 30% interest in Africa Tanks Proprietary Limited ("Africa Tanks") for a total consideration of R72.8 million, of which R67.0 million was for the purchase of equity and the balance advanced as shareholder's loan. Africa Tanks manufactures water tanks using blow-moulding technology. The effective date of the transaction was 1 April 2024.

3. The investment in Dalisu Holdings Proprietary Limited has been pledged to the IDC.

4. There are no material contingent liabilities for which Mpact is jointly or severally liable at the reporting dates presented.

Notes to the consolidated annual financial statements *(continued)*

for the year ended 31 December 2025

14. Investments in equity accounted investees *(continued)*

	2025 R'm	2024 R'm
Mpact's total investments comprise:		
Net asset value	98.0	130.6
Goodwill	48.4	51.5
Total equity	146.4	182.1

Impairment consideration

Dalisu has incurred losses for the past three years, which management considers to be an indicator of possible impairment. Accordingly, an impairment assessment was performed as at 31 December 2025 using a discounted cash flow model based on expected future profitability. The assessment incorporated the approved budgets for the 2026 to 2028 financial years, with revenue projected to grow at inflationary levels for 2029 and 2030. The assessment applied a per-tax discount rate of 14.6%, post-tax discount rate of 12.0%, alongside a growth rate of 4.2%, with the terminal value also projected at 4.2%.

Based on this assessment, the recoverable amount of Dalisu exceeded its carrying value, providing sufficient headroom. Therefore, no impairment was recognised as at 31 December 2025.

Summarised financial information

	2025 R'm Associates	2025 R'm Joint venture	2024 R'm Associates	2024 R'm Joint venture
Total non-current assets ⁵	129.7	197.3	134.4	208.1
Total current assets ⁶	172.7	41.7	274.2	37.7
Total non-current liabilities ⁷	(27.3)	(211.8)	(25.0)	(216.9)
Total current liabilities ⁸	(104.7)	(23.3)	(152.8)	(15.8)
Total net assets	170.4	3.9	230.8	13.1
Carrying amount of investment	109.8	36.6	141.0	41.1
Revenue ⁹	837.4	115.3	919.0	115.6
Profit/(loss) for the financial year	45.9	(9.2)	69.0	(3.3)
Share of profit/(loss) for the financial year	18.1	(4.5)	28.4	(9.9)
Share of total comprehensive income/(loss)	18.1	(4.5)	28.4	(9.9)

5. The associates' non-current assets are from Farmpack Proprietary Limited amounted to R36.1 million (2024: R34.4 million), Seyfert Corrugated Western Cape Proprietary Limited amounted to Rnil million (2024: R16.2 million), Ikhwezi Industries Proprietary Limited amounted to R33.6 million (2024: R32.0 million) and Africa Tanks Proprietary Limited amounted to R60.0 million (2024: R51.8 million).

6. The associates' current assets are from Farmpack Proprietary Limited amounted to R70.4 million (2024: R67.6 million), Seyfert Corrugated Western Cape Proprietary Limited amounted to Rnil million (2024: R108.1 million), Ikhwezi Industries Proprietary Limited amounted to R50.0 million (2024: R53.3 million) and Africa Tanks Proprietary Limited amounted to R52.3 million (2024: R45.2 million).

7. The associates' non-current liabilities are from Farmpack Proprietary Limited amounted to R10.1 million (2024: R10.0 million), Seyfert Corrugated Western Cape Proprietary Limited amounted to Rnil million (2024: R1.7 million), Ikhwezi Industries Proprietary Limited amounted to R17.1 million (2024: R13.0 million) and Africa Tanks Proprietary Limited amounted to R0.1 million (2024: R0.3 million).

8. The associates' current liabilities are from Farmpack Proprietary Limited amounted to R30.8 million (2024: R23.7 million), Seyfert Corrugated Western Cape Proprietary Limited amounted to Rnil million (2024: R58.8 million), Ikhwezi Industries Proprietary Limited amounted to R55.0 million (2024: R57.9 million) and Africa Tanks Proprietary Limited amounted to R18.9 million (2024: R12.4 million).

9. The associates' revenue are from Farmpack Proprietary Limited amounted to R237.3 million (2024: R248.1 million), Seyfert Corrugated Western Cape Proprietary Limited amounted to R198.4 million (2024: R333.8 million), Ikhwezi Industries Proprietary Limited amounted to R177.7 million (2024: R171.6 million) and Africa Tanks Proprietary Limited amounted to R224.0 million (2024: R165.5 million).

The revenue and profit of Seyfert Corrugated Western Cape Proprietary Limited were up to 31 July 2025.

Notes to the consolidated annual financial statements *(continued)*

for the year ended 31 December 2025

15. Other financial assets

Loans and receivables

Loans and receivables are held to collect contractual cash flows and are initially recognised when Mpact becomes a party to a contract. On initial recognition, loans and receivables are classified as “measured at amortised cost” using the effective interest rate method, less any expected credit losses as appropriate.

Recoverability of loans to these companies is based on the going concern, credit risk and future value of the underlying company. This is calculated on the future profit forecast of these companies. The gross carrying amount is reduced by impairment losses. Interest income is recognised in profit or loss. Any gain or loss in derecognition is recognised in profit or loss.

Equity investment

Mpact has one equity investment and at initial recognition, made an irrevocable election to present subsequent changes in the fair value of the investment in other comprehensive income rather than in profit or loss.

Mpact intends to hold the investment for a long-term period for strategic purposes.

Apart from these judgements, no other material judgements were used in arriving at the carrying value of the financial assets.

	2025 R'm	2024 R'm
Loans receivable from third parties ¹	17.6	33.1
Gross receivable	17.8	33.1
Allowance for expected credit loss	(0.2)	–
Loan to joint venture ²	31.8	13.7
Loan to associate ³	2.6	5.9
Equity investment – at FVOCI	–	–
Cost of investment	20.5	20.5
Fair value adjustment	(20.5)	(20.5)
Total other financial assets	52.0	52.7
Less current portion of loan receivable	(5.1)	(6.8)
Total non-current other financial assets	46.9	45.9

1. Loans receivable are held at amortised cost. The repayment terms range between 36 and 120 months.

2. The loan is held at amortised cost and the loan balance had been pledged to the IDC. Interest is charged at prime plus 1%.

3. The loan is held at amortised cost. The loan will not be repaid within the next 12 months.

The loans are within payment terms and not past due. Mpact considered its historical credit loss experience and adjusted for forward-looking factors specific to the borrowers whom are mainly in the agricultural sector. Forward-looking factors such as crop yield are assessed in the agricultural sector to determine the impact on ECLs. The balances are considered to have a low credit risk. Mpact considers loans receivable and loans to jointly controlled and associated companies to have low credit risk as the borrowers have the future capacity to meet their contractual cash flow obligations and therefore did not raise any expected credit losses in the current and prior financial year. There was a R0.2 million ECL on loan receivable to third parties which was transferred from trade and other receivables.

16. Inventories

Inventory and work-in-progress are valued at the lower of cost and net realisable value. Depending on the nature of the inventory, cost can be determined on a first-in first-out or weighted average cost basis whichever is justified. Cost comprises direct materials and overheads that have been incurred in bringing the inventories to their present location and condition. Net realisable value is defined as the selling price less any estimated costs to sell.

Fixed overhead costs, including depreciation, are allocated to inventory by processing an overhead recovery adjustment based on stock movement. The allocation of fixed production overheads to the costs of conversion is based on the normal capacity of the production facilities.

Notes to the consolidated annual financial statements *(continued)*

for the year ended 31 December 2025

16. Inventories *(continued)*

Provision for stock obsolescence is assessed regularly to identify aged, damaged and slow-moving inventories. Provisions are raised against slow-moving and aged stock to reflect potential obsolescence. When such inventory is subsequently sold, the related provision is reversed in the period of sale. There are no material accounting estimates and critical judgements used in this assessment.

	2025 R'm	2024 R'm
Raw materials and consumables	1,282.9	1,267.0
Work in progress	45.3	39.4
Finished goods	832.6	849.8
Total inventories	2,160.8	2,156.2

Certain inventories are pledged as security for the bank loans (refer to note 21).

17. Trade and other receivables

Trade receivables are initially recognised when they are originated. 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. Management assesses the recoverability of trade receivables on an ongoing basis. Any gain or loss on derecognition is recognised in profit or loss.

There are no material accounting estimates and critical judgements used in the assessment of the expected credit losses (ECL). Market segments, such as agricultural and industrial markets, are considered when assessing ECLs. In addition, forward-looking factors such as crop yields are assessed in the agricultural sector to determine the impact on ECLs. Refer to note 35: Credit risk.

	2025 R'm	2024 R'm
Trade receivables (a)		
– external	2,581.1	2,401.1
– related parties (refer to note 36)	44.7	85.3
Total trade receivables	2,625.8	2,486.4
Allowance for expected credit losses (b)	(120.2)	(104.1)
Net trade receivables	2,505.6	2,382.3
Lease smoothing asset	4.7	–
Other receivables	203.3	119.3
Prepayments and accrued income	85.8	79.5
Total trade and other receivables	2,799.4	2,581.1

The fair values of trade and other receivables approximate the carrying values presented. Trade receivables generally have 30 to 90 days payment terms and are recognised and carried at their original invoice amount less an allowance for any uncollectible amounts. Mpact also allows extended payment terms to customers in the agricultural sector.

Other receivables are considered to have 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 and future conditions and therefore did not raise any expected credit losses in the current and prior financial year. Other receivables consist mainly of rebates from suppliers and deposits.

Certain trade and other receivables are pledged as security for the bank loans (refer note 21).

(a) Trade receivables: Credit risk

Mpact's exposure to the credit risk inherent in their trade receivables and the associated risk management techniques that Mpact deploys in order to mitigate this risk are discussed in note 35. Credit periods offered to customers vary according to the credit risk profiles and invoicing conventions established by participants operating in the various markets in which Mpact operates. Interest is charged at an appropriate rate on balances which are considered overdue in the relevant market.

Notes to the consolidated annual financial statements *(continued)*

for the year ended 31 December 2025

17. Trade and other receivables

(a) Trade receivables: Credit risk *(continued)*

To the extent that recoverable amounts are estimated to be less than their associated carrying values, impairment charges have been recorded in the statement of profit or loss and the carrying values have been written down to their recoverable amounts.

Mpact uses an allowance matrix to measure expected credit losses (ECL) of trade receivables from customers. The expected loss rates are mainly based on the historical payment profiles of customers and the use of the forward-looking information as discussed below:

- the geographical location such as customers in neighbouring countries due to their poor economic conditions and region knowledge;
- business sector, such as customers that operated in drought-affected areas of South Africa;
- the age of the customer relationship;
- long past due trade receivables are considered high risk; and
- uncertainties in market trends and economic conditions.

An evaluation is also done based on loss history by market. The evaluation is done for the local and export markets as separate geographic locations.

The ECL provision is calculated on the ageing of the trade receivables with the weighted average loss allowance rate increasing the longer the debtor is past due their credit terms. A specific ECL provision is calculated on customers that are determined to have an expected credit loss. A lifetime expected loss is calculated on the remaining population of customers.

Due to the different credit risk of Mpact's businesses, there is a range for the forward-looking adjustment effect on the weighted average loss rate.

Credit risk is managed on a devolved basis, each business management team monitors the credit risk of its customers. Furthermore, divisional financial managers and the group executives regularly monitor customer purchase and payment behaviour in order to ensure that accounts will be settled in future. Management also follows a proactive process in managing overdue customers. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

The following table provides information about the exposure to credit risk and ECLs for trade receivables as at 31 December 2025.

	Weighted average loss allowance rate 2025 %	Gross carrying value 2025 R'm	Loss allowance 2025 R'm	Weighted average loss allowance rate 2024 %	Gross carrying value 2024 R'm	Loss allowance 2024 R'm
GROUP						
Current (not past due)	0.4	1,801.8	(6.7)	0.4	1,746.3	(7.1)
Less than one month past due	1.5	288.2	(4.2)	1.4	344.0	(4.7)
One to two months past due	2.8	124.2	(3.5)	2.3	175.8	(4.1)
Two to three months past due	4.5	94.7	(4.3)	20.0	75.9	(15.2)
More than three months past due	32.0	316.9	(101.5)	50.6	144.4	(73.0)
		2,625.8	(120.2)		2,486.4	(104.1)

Notes to the consolidated annual financial statements *(continued)*

for the year ended 31 December 2025

17. Trade and other receivables

(a) Trade receivables: Credit risk *(continued)*

Loss allowances amounting to R79.0 million (2024: R59.5 million) relates to specific customer balances and R41.2 million (2024: R44.6 million) relating to a general lifetime expected loss. The increase in the loss allowance is mainly due to a greater risk of default from specific customers that are more than two months past due.

	Weighted average loss allowance rate 2025 %	Gross carrying value 2025 R'm	Loss allowance 2025 R'm	Weighted average loss allowance rate 2024 %	Gross carrying value 2024 R'm	Loss allowance 2024 R'm
PAPER						
Current (not past due)	0.4	1,563.1	(6.7)	0.5	1,520.6	(7.1)
Less than one month past due	2.0	209.6	(4.1)	2.2	214.0	(4.7)
One to two months past due	4.0	86.7	(3.5)	4.4	93.5	(4.1)
Two to three months past due	5.1	83.1	(4.2)	7.6	52.3	(4.0)
More than three months past due	25.2	240.9	(60.8)	50.5	124.9	(63.1)
		2,183.4	(79.3)		2,005.3	(83.0)

Loss allowance amounting to R38.6 million (2024: R40.3 million) relating to specific customer balances and R40.7 million (2024: R42.7 million) relating to a general lifetime expected loss. The increase in the gross carrying amounts of balances more than three months past due, together with the limited movement in the related loss allowance, primarily reflects a higher concentration of exposures to agricultural customers during the reporting period. These balances were individually assessed and demonstrated observable prospects of recovery. This resulted in a lower weighted average loss allowance rate relative to the prior year, despite the growth in gross carrying value.

	Weighted average loss allowance rate 2025 %	Gross carrying value 2025 R'm	Loss allowance 2025 R'm	Weighted average loss allowance rate 2024 %	Gross carrying value 2024 R'm	Loss allowance 2024 R'm
PLASTICS						
Current (not past due)	–	238.7	–	–	225.7	–
Less than one month past due	0.1	78.6	(0.1)	–	130.0	–
One to two months past due	–	37.5	–	–	82.3	–
Two to three months past due	0.9	11.6	(0.1)	47.5	23.6	(11.2)
More than three months past due	53.6	76.0	(40.7)	50.8	19.5	(9.9)
		442.4	(40.9)		481.1	(21.1)

Loss allowance amounting to R40.4 million (2024: R19.2 million) relating to specific customer balances and R0.5 million (2024: R1.9 million) relating to a general lifetime expected loss. The increase in the loss allowance is mainly due to a greater risk of default from specific customers that are more than two months past due.

The credit risk associated with the balance of the trade receivables has been assessed and the expected credit loss rates are considered appropriate. Mpact did not enter into any debt factoring arrangements.

Notes to the consolidated annual financial statements *(continued)*

for the year ended 31 December 2025

17. Trade and other receivables

(b) Movement in the expected credit allowance loss allowance account

	2025 R'm	2024 R'm
At 1 January	104.1	94.9
Amount written off during the year	(8.8)	(21.0)
Increase in allowance recognised in the statement of profit or loss	24.2	30.2
Acquisition of business	1.1	–
Reclassification to other financial assets	(0.2)	–
Foreign currency translation	(0.2)	–
At 31 December	120.2	104.1

(c) Trade receivables analysis

	2025 R'm	2024 R'm
Concentration spread of trade receivables		
Monitored by Executive Committee		
Trade receivables over R20 million	980.0	923.3
Trade receivables between R10 million and R20 million	223.1	237.5
Trade receivables less than R10 million	290.1	272.9
Monitored by management at an operations level	1,132.6	1,052.7
Total trade receivables	2,625.8	2,486.4
Trade receivables by reportable segment		
Paper	2,183.4	2,005.3
Plastics	442.4	481.1
Total trade receivables	2,625.8	2,486.4
Geographical spread of trade receivables		
South Africa	2,299.0	2,174.0
Paper	1,872.2	1,712.1
Plastics	426.8	461.9
Rest of Africa	275.1	280.8
Paper	264.2	269.6
Plastics	10.9	11.2
Rest of World	51.7	31.6
Paper	47.0	23.6
Plastics	4.7	8.0
Total trade receivables	2,625.8	2,486.4

At 31 December 2025, the carrying amount of Mpact's most significant customer was R97.7 million (2024: R169.0 million).

Notes to the consolidated annual financial statements *(continued)*

for the year ended 31 December 2025

18. Cash and cash equivalents

	2025 R'm	2024 R'm
Consist of cash at bank and on hand	892.0	975.5

Cash at banks earns interest based on daily bank deposit rates.

Certain bank accounts within Mpact are pledged as security for the bank loans (refer to note 21). There are no expected credit losses on cash and cash equivalents. The balances are considered to have a low credit risk due to them being held at reputable banks.

19. Derivative financial instruments

Foreign currency transactions are recorded in their functional currencies at the exchange rates ruling on the dates of the transactions. At each reporting date, monetary assets and liabilities that are denominated in foreign currencies are translated at the rates prevailing on the reporting date. Gains and losses arising on translation are included in the statement of profit or loss.

Mpact enters into forward exchange contracts in order to hedge its exposure to foreign exchange risk. Mpact does not use derivative financial instruments for speculative purposes.

Derivatives are initially recognised at fair value at the date a derivative contract is entered into and subsequently held at fair value in the statement of financial position within "derivative financial instruments", and, when designated as hedges, are classified as current or non-current depending on the maturity of the derivative. A derivative is presented as a non-current asset or a non-current liability if the remaining maturity of the instrument is more than 12 months and it is not due to be realised or settled within 12 months. Other derivatives are presented as current assets or current liabilities.

Changes in the fair value of any derivative instruments that are not formally designated in hedge relationships are recognised immediately in the statement of profit or loss and are classified within "Operating profit" or "Net finance costs" depending on the type of risk the derivative relates to.

In the current financial year Mpact did not designate any financial instruments into hedging relationships.

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.

	Asset 2025 R'm	Liability 2025 R'm	Notional amount 2025 R'm	Asset 2024 R'm	Liability 2024 R'm	Notional amount 2024 R'm
Current derivative Held for trading¹						
Foreign exchange contracts	–	(9.7)	192.2	5.9	(2.7)	117.8
	–	(9.7)		5.9	(2.7)	

1. The inputs in determining fair value are classed as level 2 in terms of IFRS 13.

Derivative financial instruments are held at fair value. Appropriate valuation methodologies are employed to measure the fair value of derivative financial instruments (refer note 35).

The notional amounts presented represent the aggregate face value of all foreign exchange contracts at year-end. They do not indicate the contractual future cash flows of the derivative instruments held or their current fair value and therefore do not indicate Mpact's exposure to credit or market risks. Note 35 provides an overview of Mpact's management of financial risks through the selective use of derivative financial instruments and also includes a presentation of the undiscounted future contractual cash flows of the derivative contracts outstanding at the reporting date.

Notes to the consolidated annual financial statements *(continued)*

for the year ended 31 December 2025

19. Derivative financial instruments *(continued)*

	2025 R'm	2024 R'm
Held for trading derivatives		
Net fair value (loss)/profit on held for trading derivatives	(12.9)	4.4

Held for trading derivatives are used primarily to hedge foreign exchange balance sheet exposures. Held for trading derivative gains have corresponding gains which arise on the revaluation of the foreign exchange balance sheet exposures being hedged. Mpact chose not to apply hedge accounting to the held for trading derivatives.

20. Stated capital

An equity instrument is any contract which evidences a residual interest in the net assets of an entity. Repurchase of Mpact's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue, or cancellation of Mpact's own equity instruments.

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 at beginning of the year	2,360.9	2,360.9
	2,360.9	2,360.9

	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 28).

During the year the Trust purchased 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.

21. Interest and non-interest-bearing borrowings

Interest-bearing loans and overdrafts are initially recognised net of direct transaction costs. On initial recognition, borrowings are classified as measured at amortised cost. Any difference between the proceeds, net of transaction costs, and the redemption value is recognised in the statement of profit or loss over the term of the borrowings using the effective interest rate method. Interest is accrued monthly and settled in accordance with the contractual terms of each facility.

Mpact sources its borrowings in South African Rand. The fair values of Mpact's borrowings approximate the carrying values presented. The maturity analysis of Mpact's borrowings presented, on an undiscounted future cash flow basis, is included as part of a review of Mpact's liquidity risk within note 35.

Notes to the consolidated annual financial statements *(continued)*

for the year ended 31 December 2025

21. Interest and non-interest-bearing borrowings *(continued)*

Interest rates on the Mpact's secured borrowings are linked to the three-month JIBAR rate, which will be discontinued on 31 December 2026 due to JIBAR cessation. As part of the refinancing completed during the current year, Mpact incorporated fall back provisions into the new debt agreements to facilitate the transition from Johannesburg Interbank Average Rate (JIBAR) to South African Rand Overnight Index Average (ZARONIA). Mpact does not expect the transition to have a material impact on either the statement of profit or loss or the statement of financial position.

	2025 R'm	2024 R'm
Secured borrowings		
– Revolving credit facility A ¹	1,500.0	–
– Revolving credit facility B ²	1,125.0	–
– Nedbank General Banking Facility ³	458.9	–
– Term Loan A ⁴	–	250.0
– Revolving credit facility B ⁵	–	825.0
– Revolving credit facility C ⁶	–	825.0
– Term Loan E ⁷	–	150.0
– RMB General Banking Facility ⁸	–	810.0
– Standard Bank General Banking Facility ⁹	–	180.0
	3,083.9	3,040.0
Secured instalment loan facilities	49.3	20.7
	3,133.2	3,060.7
Unsecured: Minority shareholder loans in subsidiary¹⁰	–	3.6
Total borrowings	3,133.2	3,064.3
Less: Current portion (refer to note 25)	(7.2)	(6.7)
Minority shareholder loans	–	(3.6)
Instalment loan facilities	(7.2)	(3.1)
Non-current borrowings	3,126.0	3,057.6

1. Incurs interest between three-month JIBAR plus 1.25% and 1.30%, maturing in November 2028, with the option to extend by an additional one or two years subject to an approval from the bank's credit committee.

2. Incurs interest between three-month JIBAR plus 1.45% and 1.50%, maturing in November 2030.

3. Incurs interest at prime minus 2.14% and is set to mature at the earlier of a 367-day notice period or November 2029.

4. Incurred interest at three-month JIBAR plus 1.45% (2024: three-month JIBAR plus 1.45%).

5. R242.7 million incurred interest at one-month JIBAR plus 1.45% (2024: one-month JIBAR plus 1.45%) and R582.3 million incurs interest at three-month JIBAR plus 1.45% (2024: three-month JIBAR plus 1.45%).

6. Incurred interest at one-month JIBAR plus 1.55% (2024: one-month JIBAR plus 1.55%).

7. Incurred interest at three-month JIBAR plus 1.55% (2024: three-month JIBAR plus 1.55%).

8. Incurred interest at prime less 2.5%.

9. Incurs interest at three-month JIBAR plus 1.65% and expires in December 2026.

10. The loan was granted as a shareholder loan which is non-interest bearing with no fixed date of repayment.

In the prior year, debt facilities were provided by Standard Bank, Rand Merchant Bank, Nedbank, and Investec. In November 2025, these facilities were refinanced under a common terms agreement, with Rand Merchant Bank no longer participating as a lender. Prior to the completion of refinancing, Mpact utilised existing undrawn facilities to cash settle the outstanding balance owed to Rand Merchant Bank. On the effective date of the refinancing, Mpact's total debt was extinguished and replaced by the new facilities, resulting in no cash flow impact in respect of the settlement of the prior facilities.

The instalment sales agreements are secured by plant and equipment to which they relate.

Notes to the consolidated annual financial statements *(continued)*

for the year ended 31 December 2025

21. Interest and non-interest-bearing borrowings *(continued)*

Mpact has pledged certain assets as collateral against certain borrowings. The values of these assets as at 31 December 2025 are as follows:

	2025 R'm	2024 R'm
Assets pledged as collateral for other borrowings		
Property, plant and equipment	3,768.8	3,561.1
Investment property	89.2	–
Inventories	1,691.2	1,639.8
Trade and other receivables	2,387.3	2,351.0
Cash and cash equivalents	622.4	669.1
Total carrying value of assets pledged as collateral	8,558.9	8,221.0

Facilities totalling R1,216 million remain committed and undrawn as at 31 December 2025 (2024: R1,620 million).

Mpact's liquidity is provided through debt facilities which are in excess of the Group's short-term needs. Mpact has approved facilities amounting to R4,300 million (2024: R4,660 million). Mpact has met all its debt covenants for the current financial year.

Certain intercompany loans within Mpact Operations Proprietary Limited, Mpact Limited, Mpact Paarl Property Proprietary Limited and Recycling Consolidated Holdings Proprietary Limited have been subordinated in favour of the debt holders. Mpact is entitled to receive all cash flows from these subordinated assets. Further, there is no obligation to remit these cash flows to another entity.

22. Lease liabilities

The lease liabilities are measured at the present value of the future lease payments, discounted using the interest rate implicit in the lease, if readily determinable. If the rate cannot be readily determined, the lessee's incremental borrowing rate is used. Finance charges are recognised in the consolidated statement of profit or loss over the period of the lease.

	2025 R'm	2024 R'm
Non-current portion	196.0	207.8
Current portion	76.8	62.6
	272.8	270.4

As at 31 December 2025, potential future discounted cash outflows of R189.9 million (2024: R122.0 million) have not been included in the lease liability as it is not reasonably certain that the leases will be extended.

Refer to note 13 for the right-of-use asset, note 5 for profit and loss movements, and note 35: Financial risk management contractual maturity analysis for the undiscounted cash flows.

23. Retirement benefits

Mpact operates post-retirement defined contribution plans for the majority of its employees and post-benefit plans for certain employees, namely, a post-retirement medical plan and Namibian severance benefits.

An actuarial valuation is performed each year using the projected unit credit method for post-benefit plans. The average discount rate for the plans' liabilities is based on zero-coupon South African government bonds of a suitable duration and currency. Actuarial gains and losses, which can arise from differences between expected and actual outcomes or changes in actuarial assumptions, are recognised immediately in other comprehensive income and accumulated in equity. Any increase in the present value of plan liabilities expected to arise from employee service during the year is charged to underlying operating profit. The expected increase during the year in the present value of plan liabilities is included in finance expense.

Notes to the consolidated annual financial statements *(continued)*

for the year ended 31 December 2025

23. Retirement benefits *(continued)*

Defined contribution plan

The assets of the defined contribution plans are held separately in independently administered funds. The charge in respect of these plans for Mpact totalling R130.9 million (2024: R125.7 million) is calculated on the basis of the contribution payable by Mpact in the financial year. There were no material outstanding or prepaid contributions recognised in relation to these plans as at the reporting dates presented. The amount charged to the statement of profit or loss is the contributions paid or payable during the year.

Post-benefit plans

	2025 R'm	2024 R'm
Post-retirement medical plan	33.1	31.7
Namibian severance benefits	4.6	–
	37.7	31.7

Post-retirement medical plan

The post-retirement medical plan provides health benefits to retired employees and certain dependants. Eligibility for cover is dependent upon certain criteria. This plan is unfunded and there are no plan assets. The plan has been closed to new participants since 1 January 1999. The valuation is based on 61 pensioners (2024: 61 pensioners).

The actuarial present value of the promised benefits at the most recent valuation was performed during the 2025 financial year and indicates that the contractual post-retirement medical aid liability is adequately provided for within the financial statements.

The retirement benefit obligation recognised in the statement of financial position represents the present value of the defined benefit obligation as adjusted for unrecognised past service costs.

The determination of the obligation depends on certain assumptions used by actuaries. These assumptions include, among other, the discount rate, healthcare inflation costs, rates of increase in compensation costs and the number of employees who reach retirement age. Significant changes in the assumptions will not materially affect the obligation.

Actuarial assumptions

The principal assumptions used to determine the actuarial present value of benefit obligations are detailed below:

	2025 %	2024 %
Average discount rate for plan liabilities	8.65	10.43
Expected average increase of healthcare costs	5.48	6.70

The total loss recognised in other comprehensive income relating to movements on actuarial gains or losses for the year ended 31 December 2025 is R1.3 million (2024: gain of R1.8 million). A loss of R1.4 million (2024: gain of R0.1 million) related to changes in financial assumptions and a gain of R0.1 million (2024: R1.7 million) related to changes in demographic assumptions.

Notes to the consolidated annual financial statements *(continued)*

for the year ended 31 December 2025

23. Retirement benefits *(continued)*

The change in the present value of defined benefit obligations are as follows:

	2025 R'm	2024 R'm
At 1 January	31.7	32.7
Interest cost	3.1	3.7
Re-measurement	1.3	(1.8)
Benefits paid	(3.0)	(2.9)
At 31 December	33.1	31.7
The amounts recognised in the statement of profit or loss are as follows:		
Analysis of the amount charged to operating profit		
Interest costs on plan liabilities ¹	3.1	3.7
Total charge to statement of profit or loss	3.1	3.7

1. Included in finance costs (refer to note 6).

Sensitivity analysis

Assured healthcare trend rates have a significant effect on the amounts recognised in the statement of profit or loss. A 1% change in assumed healthcare cost trend rates would have the following effects on the post-retirement medical plans:

	2025 R'm	2024 R'm
1% increase		
Effect on the aggregate of the current service cost and interest cost	0.2	0.3
Effect on the defined benefit obligation	2.6	2.4

	Liabilities Post-retirement medical plans R'm	Remeasurement gain on plan liabilities R'm
2021	34.6	3.0
2022	33.1	2.3
2023	32.7	1.2
2024	31.7	1.8
2025	33.1	(1.3)

The expected payments to the defined benefit plan approximates R3.1 million for the next 12 months.

Namibian severance benefits

In accordance with the Namibian Labour Act, 11 of 2007, the Group is required to provide severance benefits to employees upon dismissal (other than for misconduct or poor performance), retrenchment, or retirement at age, provided they have completed at least 12 months of continuous service. The severance entitlement is calculated at two weeks' remuneration for each completed year of service.

The benefit plan is unfunded and there are no plan assets. The valuation is based on 93 employees.

The actuarial present value of the promised benefits at the most recent valuation was performed during the 2025 financial year and indicates that the contractual severance benefit is adequately provided for within the financial statements.

The severance benefit recognised in the statement of financial position represents the present value of the defined benefit obligation as adjusted for unrecognised past service costs.

Notes to the consolidated annual financial statements *(continued)*

for the year ended 31 December 2025

23. Retirement benefits *(continued)*

The determination of the obligation depends on certain assumptions used by actuaries. These assumptions include, among other, the discount rate, inflation costs, rates of increase in compensation costs and the number of employees who reach retirement age. Significant changes in the assumptions will not materially affect the obligation.

Actuarial assumptions

The principal assumptions used to determine the actuarial present value of benefit obligations are detailed below:

	2025 %
Average discount rate for plan liabilities	10.10
Inflation rate	4.10
Salary increase rate	6.10

The change in the present value of defined benefit obligations are as follows:

	2025 R'm
Past service costs	4.6
At 31 December	4.6

Sensitivity analysis

Assured healthcare trend rates have a significant effect on the amounts recognised in the statement of profit or loss. A 1% change in discount rate would have the following effects:

	2025 R'm
1% increase	
Effect on the defined benefit obligation	0.3

The expected payments to the defined benefit plan approximates R0.1 million for the next 12 months.

Notes to the consolidated annual financial statements *(continued)*

for the year ended 31 December 2025

24. Deferred tax assets/(liabilities)

	2025 R'm	2024 R'm
Deferred tax asset		
At 1 January	94.5	72.6
Credited to statement of profit or loss – continuing operations	4.4	25.9
Reclassification	(2.4)	(0.3)
Charged to equity	–	(3.7)
At 31 December	96.5	94.5
Deferred tax liability		
At 1 January	(320.4)	(274.6)
Acquired through business combinations	(19.3)	–
Charged to statement of profit or loss – continuing operations	(105.1)	(42.0)
Credited to statement of profit or loss – discontinued operation	–	3.3
Charged to statement of other comprehensive income	0.4	(0.5)
Charged to equity	(2.9)	(6.9)
Reclassification	2.4	0.3
At 31 December	(444.9)	(320.4)
Net deferred tax liability is presented as follows:	(348.4)	(225.9)
Tax losses	222.0	129.4
Right-of-use assets	(59.6)	(60.3)
Lease liabilities	70.4	73.0
Capital allowances	(700.5)	(444.1)
Fair value adjustments	(5.2)	(5.2)
Provisions and other temporary differences	124.5	81.3
Net deferred tax liability	(348.4)	(225.9)

In the prior year a group entity had estimated tax losses amounting to R149.8 million on which deferred tax assets had not been raised due to its ability to generate future taxable profits. Refer to note 7 for the current year recognition of previously unrecognised tax losses. Mpact has applied the exemption 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.

25. Short-term borrowings

	2025 R'm	2024 R'm
Minority shareholder loans (refer to note 21)	–	3.6
Bank overdrafts	–	12.0
Instalment loan facilities (refer to note 21)	7.2	3.1
Total short-term borrowings	7.2	18.7

The current portion of borrowings is expected to be repaid from operational cash flows and other existing facilities.

Notes to the consolidated annual financial statements (continued)

for the year ended 31 December 2025

26. Trade and other payables

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

A refund liability is recognised to the extent that there is no legal right to offset or intention to settle net of trade receivables.

Short-term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if Mpact has a present legal or constructive obligation to pay as a result of past service provided by the employee and the obligation can be estimated reliably.

	2025 R'm	2024 R'm
Trade payables	1,478.6	1,537.4
Amounts owed to related parties (refer to note 36)	0.8	17.0
Refund liabilities	255.9	317.5
Accruals	268.0	251.1
Staff expenses and staff-related accruals	277.8	261.0
Other payables	43.1	12.8
Total trade and other payables	2,324.2	2,396.8

The fair values of trade and other payables are not materially different to the carrying values presented.

27. Provisions

An obligation to incur restoration and environmental costs arises when environmental disturbance is caused by the ongoing production of a plant or landfill site. Costs for restoration of site damage are provided for at their present values and charged against profit or loss as the obligation arises.

A provision for the dividend equivalent bonus is recognised when Mpact has an obligation to settle the bonus shares awarded.

	2025 R'm	2024 R'm
Non-current portion of restoration and environmental provision ¹	2.1	2.4
Current portion of restoration and environmental ¹	–	3.0
Current portion of dividend equivalent bonus ²	2.6	3.5
Total current provisions	2.6	6.5

1. The restoration and environmental provision represents the best estimate of the expenditure required to settle the obligation to rehabilitate environmental disturbances caused by production operations. Mpact anticipates the rehabilitation to occur within the next three to five years. A provision is recognised for the present value of such costs. In the current financial year, the provision decreased by R3.3 million which was recognised in the statement of profit or loss (2024: decrease of R12.8 million).

2. Relates to Bonus Share Plan awards, where dividends earned over the holding period are paid as a single cash payment on vesting date. In the current financial year, the provision decreased by a net R0.9 million which was recognised in the statement of profit or loss (2024: increase of R0.9 million).

28. 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.

Notes to the consolidated annual financial statements *(continued)*

for the year ended 31 December 2025

28. Share-based payments *(continued)*

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.

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	11.3	16.1
PSP ¹	(13.3)	6.9
DSA	2.6	–
PSA	2.7	–
Total share-based payment expense	3.3	23.0

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
1 January 2025	1,864,695	2,885,585	–	–
Shares conditionally awarded in the year	–	–	399,544	1,229,215
Shares vested in the year	644,683	373,492	–	–
Shares lapsed in the year	–	(562,342)	–	–
31 December 2025	2,509,378	2,696,735	399,544	1,229,215
1 January 2024	2,118,759	3,233,381	–	–
Shares conditionally awarded in the year	576,111	1,020,668	–	–
Shares vested in the year	(771,547)	(1,368,464)	–	–
Shares lapsed in the year	(58,628)	–	–	–
31 December 2024	1,864,695	2,885,585	–	–

Notes to the consolidated annual financial statements *(continued)*

for the year ended 31 December 2025

28. Share-based payments *(continued)*

The fair values of the share awards granted under the Mpact share plans are presented below:

	2025	2024	2023	2022
DSA				
Date of grant	2 June	–	–	–
Vesting period (months)	36	–	–	–
Expected leavers per annum (%)	–	–	–	–
Grant date fair value per instrument (R)	26.21	–	–	–
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)				
– HEPS component	26.21	–	–	–
– ROCE component	26.21	–	–	–
– ESG component	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				
– 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 vested at a share price of R27.46 per share.

Notes to the consolidated annual financial statements *(continued)*

for the year ended 31 December 2025

29. Capital commitments

	2025 R'm	2024 R'm
Approved by the Board and contracted for	327.5	225.4

The capital commitments will be financed from existing cash resources and unutilised borrowing facilities.

30. Operating lease commitments

At 31 December, the outstanding commitments under non-cancellable leases were:

	2025 R'm	2024 R'm
Expiry date		
Within one year	0.5	3.5
Total operating lease commitments	0.5	3.5

The current year commitments relate to short-term leases.

31. Business combination

At the date of acquisition, the identifiable assets, liabilities and contingent liabilities of a subsidiary are recorded at their fair values on acquisition date. Assets and liabilities, which cannot be measured reliably, are recorded at provisional fair values which are finalised within 12 months of the acquisition date. At the date of acquisition, the cost of a business combination includes the fair value of assets provided, liabilities incurred or assumed, and any equity instruments issued by a group entity, in exchange for control of an acquiree. The directly attributable costs associated with a business combination are expensed as incurred.

2025

On 1 August 2025, Mpact increased its shareholding in Seyfert Corrugated Western Cape Proprietary Limited (Seyfert) from 49% to 74% for a cash consideration of R42.6 million. This follows the fulfilment of all conditions precedent. As a result of the increased interest, Seyfert was recognised as a subsidiary and consolidated.

Seyfert manufactures and supplies converted corrugated cardboard packaging. Its operations are focused on producing customised packaging solutions such as boxes, trays, and cartons, predominantly serving the wine, agricultural, and industrial sectors. Seyfert predominately sources its raw material and leases its operating property from Mpact, creating strong integration between the two businesses.

Notes to the consolidated annual financial statements *(continued)*

for the year ended 31 December 2025

31. Business combination *(continued)*

The acquisition has been accounted for using the acquisition method in terms of IFRS 3. The fair values of the identifiable assets and liabilities as at the date of acquisition were:

	2025 R'm
Assets	
Property, plant and equipment	23.6
Intangible assets	60.6
Inventories	8.7
Trade and other receivables	79.3
Cash and cash equivalents	9.0
Current income tax receivable	1.6
Total assets	182.8
Liabilities	
Non-current borrowings	(1.0)
Deferred tax	(19.3)
Trade and other payables	(68.4)
Total liabilities	(88.7)
Fair value of identifiable net assets	94.1
Purchase consideration transferred	42.6
Settlement of pre-acquisition dividend	6.6
Non-controlling interest measured at proportionate share of net assets	24.5
Fair value of previously held equity interest	76.0
Fair value of identifiable net assets	(94.1)
Goodwill	55.6
Purchase consideration transferred	(42.6)
Cash and cash equivalents acquired	9.0
Net cash outflow from business combination	(33.6)

Existing assets were assumed to have carrying values approximating their fair values. The customer relationship intangible asset was valued using the Multi-period Earnings Excess Method (MEEM). Key inputs included projected revenue growth, customer attrition rates and a discount rate reflecting the risk profile of Seyfert. These inputs were benchmarked against market data and internal forecasts to ensure consistency with IFRS 13: *Fair Value Measurement*. The previously equity accounted investee had a carrying value of R31.3 million and the remeasurement resulted in a gain of R44.7 million.

The goodwill is mainly attributable to expected efficiencies and strategic benefits to arise within the Corrugated Western Cape business. Accordingly, the full amount of goodwill has been allocated to the Corrugated Western Cape cash-generating unit. None of the goodwill recognised is expected to be deductible for tax purposes.

Acquisition costs expensed in operating expenses totalled R2.0 million.

The acquisition date fair value of the trade receivables amounted to R77.2 million and the gross amount of trade receivables amounted to R78.2 million. The other receivables were at fair value and no expected credit loss was acquired.

For the five months ended 31 December 2025, Seyfert contributed revenue of R164.6 million and profit after tax of R9.6 million to Mpac's results. If the acquisition had occurred on 1 January 2025, Seyfert would have contributed an estimated revenue of R363.0 million and an estimated profit after tax of R18.4 million to Mpac's results. The estimated consolidated revenue would have been R13,970.5 million and an estimated profit after of R578.1 million.

Notes to the consolidated annual financial statements *(continued)*

for the year ended 31 December 2025

32. Discontinued operation

A discontinued operation is a component of an entity that either has been disposed of, or is classified as held for sale, and represents a separate major line of business or geographical area of operation; is a part of a single coordinated plan to dispose of a separate major line of business or geographical area of operation; or is a subsidiary acquired exclusively with a view to sell.

Classification as a discontinued operation occurs at the earlier of disposal or when the operation meets the criteria to be classified as held-for-sale. When an operation is classified as a discontinued operation, the comparative statement of profit or loss and other comprehensive income (OCI) is re-presented as if the operation had been discontinued from the start of the comparative year. Non-current assets and disposal groups classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell.

2024

Plastics Trays & Films ("Versapak")

On 4 November 2024, Mpact completed the sale of business agreement with Greenpath Recycling Proprietary Limited (a wholly owned subsidiary of Sinica Manufacturing Proprietary Limited). The purchase price amounted to R268.9 million. The results for the year are presented below:

	R'm
Revenue from contracts with customers	855.5
Expenses	(792.4)
Loss on sale of business ¹	(2.7)
Operating profit	60.4
Net finance income	0.1
Tax expense	(38.1)
– ordinary activities for the period ²	(38.8)
– loss on sale of business	0.7
Profit for the year from discontinued operation ³	22.4
The net cash flows are as follows:	
Operating activities	49.8
Investing activities	(10.4)
Net cash inflow	39.4

1. Success fee amounting to R13.9 million and a net gain recognised on plant and equipment amounting to R11.2 million.
2. Deferred tax charged on differences between accounting and tax costs on disposal of business.
3. Profit for the year is after eliminating inter-company transactions where they were recognised without further adjustment.

Effect of disposal on the statement of financial position of Mpact

	R'm
Decrease in:	
Plant and equipment	140.0
Inventories	146.2
Other payables	(17.3)
	268.9
Net cash inflows on disposal	254.5
Purchase price	268.9
Receivable at year-end	(14.4)

Notes to the consolidated annual financial statements *(continued)*

for the year ended 31 December 2025

33. Consolidated cash flow analysis

(a) Reconciliation of profit before taxation to cash generated from operations

The notes to the consolidated statement of cash flows include cash flows for discontinued operation. This differs to the notes to the consolidated statement of profit or loss which excludes amounts for the discontinued operation.

	2025 R'm	2024 R'm
Profit before taxation from total operations	725.2	707.6
Profit before taxation from continuing operations	725.2	647.1
Profit before taxation from discontinued operation	–	60.5
Adjusted for:		
Depreciation, amortisation and impairments	608.1	575.6
Gain on remeasurement of previously held investment	(44.7)	–
Net gain recognised on plant and equipment on sale of business	–	(11.2)
Share-based payments (refer to note 28)	3.3	23.0
Net finance costs	244.4	297.1
Share of equity accounted investee profit	(13.6)	(18.5)
Decrease in retirement benefit obligation	(3.0)	(2.9)
Decrease in provisions	(4.2)	(12.0)
Past service cost on post-retirement benefit	4.6	–
Increase in finance lease asset	(0.4)	–
Net (increase)/decrease in working capital	(303.5)	323.0
Decrease/(increase) in inventories	2.4	(180.4)
(Increase)/decrease in receivables	(137.5)	346.5
(Decrease)/increase in payables	(168.4)	156.9
Profit on disposal of tangible assets	(3.8)	(3.5)
Fair value change on transactions not qualifying as hedges	14.8	(8.9)
Amortisation of government grant	–	(0.3)
Profit on disposal of right-of-use assets and lease liabilities	–	(0.6)
Cash generated from operations	1,227.2	1,868.4
(b) Taxation paid		
Opening balance – net payable	(26.1)	(32.4)
Current tax charge for total operation	(47.5)	(102.8)
Acquisition of business	1.6	–
Tax effects on shares purchased for vesting	2.1	17.0
Closing balance – net (receivable)/payable	(7.0)	26.1
	(76.9)	(92.1)
(c) Total cash outflow for leases		
Repayment of lease liabilities	(69.3)	(62.2)
Interest on lease liabilities	(26.3)	(24.4)
Short-term leases	(31.9)	(33.8)
Low value leases	(6.2)	(5.9)
	(133.7)	(126.3)

Notes to the consolidated annual financial statements *(continued)*

for the year ended 31 December 2025

33. Consolidated cash flow analysis *(continued)*

(d) Changes in liabilities arising from cash flows from financing activities

	1 January R'm	Cash inflows R'm	Cash outflows R'm	Changes in fair value R'm	Other ¹ R'm	31 December R'm
2025						
Non-current interest and non-interest-bearing borrowings	3,057.6	1,801.3	(1,904.4)	–	171.5	3,126.0
Non-current lease liabilities	207.8	–	–	–	(11.8)	196.0
Current portion of borrowings	18.7	790.0	(634.8)	–	(166.7)	7.2
Current portion derivative financial instruments	2.7	–	–	7.0	–	9.7
Current portion of lease liabilities	62.6	–	(69.3)	–	83.5	76.8
Total	3,349.4	2,591.3	(2,608.5)	7.0	76.5	3,415.7
2024						
Non-current interest and non-interest-bearing borrowings	3,297.3	770.0	(1,010.3)	–	0.6	3,057.6
Non-current lease liabilities	173.1	–	–	–	34.7	207.8
Current portion of borrowings	25.3	399.8	(409.1)	–	2.7	18.7
Current portion derivative financial instruments	3.4	–	–	(0.7)	–	2.7
Current portion of lease liabilities	51.2	–	(62.2)	–	73.6	62.6
Total	3,550.3	1,169.8	(1,481.6)	(0.7)	111.6	3,349.4

1. Reclassification of liabilities between non-current liabilities and current liabilities, acquisition of subsidiaries and movements in the overdraft facility. Lease liabilities also include current year additions, the derecognition of the liabilities and lease re-measurements. In the current year, Mpact re-financed R170 million of short-term facilities into non-current facilities.

(e) Cash and cash equivalents

	2025 R'm	2024 R'm
Cash and cash equivalents per current assets	892.0	975.5
Net cash and cash equivalents per statement of cash flows	892.0	975.5

The fair value of cash and cash equivalents approximate the values presented. There is no restriction placed on Mpact's cash balances.

Notes to the consolidated annual financial statements *(continued)*

for the year ended 31 December 2025

34. Capital management

Mpact defines its total capital employed as equity, as presented in the statement of financial position, plus net debt, less financial asset investments.

	2025 R'm	2024 R'm
Total borrowings (including lease liabilities and excluding overdrafts)	3,406.0	3,334.7
Less: Cash and cash equivalents, net of overdrafts	(892.0)	(963.5)
Net debt	2,514.0	2,371.2
Less: Loans and receivables	(12.5)	(26.3)
Adjusted net debt	2,501.5	2,344.9
Equity	6,270.2	5,865.9
Total capital employed	8,771.7	8,210.8

Total capital employed is managed on a basis that enables Mpact to continue trading as a going concern, while delivering acceptable returns for shareholders and benefits for other stakeholders. Additionally, Mpact is committed to reducing its cost of capital by maintaining an optimal capital structure. In order to maintain an optimal capital structure, Mpact may adjust the future level of dividends paid to shareholders, repurchase shares from shareholders, issue new equity instruments or dispose of assets to reduce its net debt exposure.

Mpact reviews its total capital employed on a regular basis and makes use of several indicative ratios which are appropriate to the nature of the Group's operations and are consistent with conventional industry measures. The principal ratios used in this review process are:

- gearing, defined as net debt divided by total capital employed; with a range of 20% to 40%; and
- return on capital employed, defined as underlying operating profit, plus share of associates and jointly controlled company profit, before special items, divided by average capital employed. The range of return of capital employed, excluding capital work in progress, is linked to Mpact's short-term incentive targets.

Mpact aims to ensure that it meets financial covenants attached to the borrowings. On occurrence of a continuing default or breach of financial covenants that remains unremedied, the lenders may decide to cancel the commitments and declare that all or part of the borrowings be immediately due and payable or declare that all or part of the borrowings be payable on demand or exercise or direct the Debt Guarantor to exercise its rights. Mpact had met these covenants with sufficient headroom and therefore minimal risk exists for any breach of triggers.

Refer to note 3 for the financial covenant conditions.

35. Financial risk management

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 (foreign exchange risk and 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.

The principles, practices and procedures governing the Group-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 (Group treasury) for the practical implementation of the financial risk management process across Mpact and for ensuring that Mpact's entities adhere to specified financial risk management policies. Group 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.

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. Trade receivables are without a significant financing component and are initially measured at the transaction price.

Notes to the consolidated annual financial statements *(continued)*

for the year ended 31 December 2025

35. Financial risk management *(continued)*

On initial recognition, a financial asset is classified as measured at: amortised cost; or fair value through profit or loss. On initial recognition of an equity investment that is not held for trading, Mpact may irrevocably elect to present subsequent changes in the investment's fair value in OCI. This election is made on an investment-by-investment basis.

MARKET RISK

Mpact's activities are exposed to primarily foreign exchange and interest rate risk. Both risks are actively monitored on a continuous basis and managed through the use of foreign exchange contracts and interest rate swaps, respectively. Although Mpact's cash flows are exposed to movements in key input and output prices, such movements represent economic rather than residual financial risk inherent in commodity payables and receivables.

Foreign exchange risk

Mpact operates across various national boundaries and is exposed to foreign exchange risk in the normal course of their business. Multiple currency exposures arise from forecast commercial transactions denominated in foreign currencies, recognised financial assets and liabilities (monetary items) denominated in foreign currencies and the translational exposure on net investments in foreign operations.

Foreign exchange contracts

Mpact's foreign exchange policy requires its subsidiaries to actively manage foreign currency exposures against their functional currencies by entering into foreign exchange contracts. For segmental reporting purposes, each subsidiary enters into, and accounts for, foreign exchange contracts with Group treasury or with counterparties that are external to Mpact, whichever is more commercially appropriate. Only material statement of financial position exposure and highly probable forecast capital expenditure transactions are being hedged. Currencies bought or sold forward to mitigate possible unfavourable movements on recognised monetary items are marked to market at each reporting date. Foreign currency monetary items are translated at each reporting date to incorporate the underlying foreign exchange movements, and any such movements are naturally off-set against fair value movements on related foreign exchange contracts. Refer to note 19 for the notional amount of foreign exchange contracts held at year-end.

Exposure

The summary quantitative data about Mpact's net exposure to currency risk is as follows:

	2025 R'm	2024 R'm
Foreign currency		
Trade payables		
EUR	(23.8)	(51.1)
GBP	(8.2)	(0.5)
JPY	–	(1.6)
USD	(57.4)	(37.8)
Trade receivables		
BWP	0.2	1.6
EUR	16.3	3.1
GBP	0.7	6.2
USD	136.2	97.4
Net exposure		
BWP	0.2	1.6
EUR	(7.5)	(48.0)
GBP	(7.5)	5.7
USD	78.8	59.6

Sensitivity analysis

A reasonably possible appreciation or depreciation of the BWP, EUR, GBP, and USD is not expected to have a material impact on the statement of profit or loss, given Mpact's net foreign currency exposure and the mitigating effect of its foreign exchange contracts.

Notes to the consolidated annual financial statements *(continued)*

for the year ended 31 December 2025

35. Financial risk management *(continued)*

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.

Management of cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits, together with short-term highly liquid investments which have a maturity of three months or less from the date of acquisition.

Management of variable rate debt

Mpact has multiple variable rate debt facilities. Mpact's cash and cash equivalents acts as a natural hedge against possible unfavourable movements in the relevant inter-bank lending rates on its variable rate debt, subject to any interest rate differentials that exist between corporate saving and 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 (including overdrafts)	3,133.2	3,076.3
Less:		
Non-interest-bearing debt	–	(3.6)
Cash and cash equivalents	(892.0)	(975.5)
Net variable rate exposure	2,241.2	2,097.2
± basis points change		
Potential impact on earnings + 100 basis points (2024: +50 basis points)	(16.4)	(7.7)
Potential impact on earnings – 100 basis points (2024: -50 basis points)	16.4	7.7

CREDIT RISK

Impairment of financial assets

Mpact recognises loss allowances for expected credit losses (ECL) on financial assets measured at amortised cost. Credit losses are measured as the present value of all cash shortfalls. Mpact measures loss allowances at an amount equal to lifetime ECL. Loss allowances for loans and trade and other receivables are always measured at an amount equal to lifetime ECL. When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECL, Mpact considers quantitative and qualitative information based on Mpact's historical experience and informed credit assessment on specific customers and/or industrial sectors. Mpact also assumes that the credit risk on a financial asset has increased if it is more than 30 days past due. Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets. The gross carrying amount of a financial asset is written off when Mpact has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. The expectation of the recovering is based on the reasoning of the non-payment from the customer. Generally, trade receivables are written off after a debtor fails to agree to a repayment plan. In most instances Mpact continues to engage in enforcement activity to attempt to recover the receivable.

Notes to the consolidated annual financial statements *(continued)*

for the year ended 31 December 2025

35. Financial risk management *(continued)*

Mpact's credit risk is mainly confined to the risk of customers defaulting on sales invoices raised. Several Group entities have also issued certain financial guarantee contracts to external counterparties in order to achieve competitive funding rates for specific debt agreements entered into by other Group entities. None of these financial guarantees contractually obligate Mpact to pay more than the recognised financial liabilities in the entities concerned. As a result, these financial guarantee contracts have no bearing on the credit risk profile of Mpact as a whole. Full disclosure of Mpact's maximum exposure to credit risk is presented in the following table:

	2025 R'm	2024 R'm
Exposure to credit risk		
Cash and cash equivalents	892.0	975.5
Derivative financial instruments	–	5.9
Trade and other receivables (excluding prepayments and accrued income)	2,713.6	2,501.6
Other financial assets	52.0	52.7
Total credit risk exposure	3,657.6	3,535.7

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.

Credit risk associated with trade receivables

Mpact has a large number of unrelated customers and does not have any significant credit risk exposure to any particular customer. Mpact believes there is no significant geographical concentration of credit risk.

Each business unit manages its own exposure to credit risk according to Mpact's delegation of authority and the economic circumstances and characteristics of the relevant markets that they serve. Mpact believes that management of credit risk on a devolved basis enables it to assess and manage credit risk more effectively. However, broad principles of credit risk management practice are observed across all business units, such as the use of credit rating agencies, credit guarantee insurance, where appropriate, and the maintenance of a credit control function.

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.

The following table shows the amounts available to draw down on its committed and uncommitted loan facilities:

	2025 R'm	2024 R'm
Expiry date		
Two or more years	1,216.0	1,620.0
Total credit available	1,216.0	1,620.0

Forecast liquidity represents Mpact's expected cash inflows, principally generated from sales made to customers, less Mpact's contractually-determined cash outflows, principally related to supplier payments and the repayment of borrowings, including finance lease obligations, plus the payment of any interest accruing thereon. The matching of these cash inflows and outflows rests on the expected ageing profiles of the underlying assets and liabilities. Short-term financial assets and financial liabilities are represented primarily by Mpact's trade receivables and trade payables respectively. The matching of the cash flows that result from trade receivables and trade payables takes place typically over a period of three to four months from recognition in the statement of financial position and is managed to ensure the ongoing operating liquidity of Mpact. Financing cash outflows may be longer term in nature. Mpact does not hold long-term financial assets to match against these commitments, but are significantly invested in long-term non-financial assets which generate the sustainable future cash inflows, net of future capital expenditure requirements, needed to service and repay Mpact's borrowings. Mpact also assesses its commitments under interest rate swaps, which hedge future cash flows from the reporting date presented.

Notes to the consolidated annual financial statements *(continued)*

for the year ended 31 December 2025

35. Financial risk management *(continued)*

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 the Group and company'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.

	Undiscounted cash flow				
	<1 year R'm	1-2 years R'm	2-5 years R'm	5+ years R'm	Total R'm
2025					
Trade and other payables	2,324.2	–	–	–	2,324.2
Lease liabilities	85.2	77.6	112.2	–	275.0
Borrowings ¹	266.2	724.3	3,037.7	20.3	4,048.5
Total	2,675.6	801.9	3,149.9	20.3	6,647.7
2024					
Trade and other payables	2,396.8	–	–	–	2,396.8
Lease liabilities	80.9	94.2	143.2	–	318.3
Borrowings	336.2	1,701.8	1,712.4	1.1	3,751.5
Total	2,813.9	1,796.0	1,855.6	1.1	6,466.6

1. Borrowing facilities amounting to R1,500 billion will expire in 2028, R1,125 billion will expire in 2030.

It has been assumed that, where applicable, interest and foreign exchange rates prevailing at the reporting date will not vary over the time periods remaining for future cash flows.

Maturity profile of outstanding derivative positions

	Undiscounted cash flow			
	1 year R'm	1-2 years R'm	2-5 years R'm	Total R'm
2025				
Foreign exchange contracts	39.1	–	–	39.1
Total	39.1	–	–	39.1
2024				
Foreign exchange contracts	(1.9)	–	–	(1.9)
Total	(1.9)	–	–	(1.9)

Notes to the consolidated annual financial statements *(continued)*

for the year ended 31 December 2025

35. Financial risk management *(continued)*

Financial instruments by category

	Fair value hierarchy	At amortised cost R'm	At fair value through profit or loss R'm	Total R'm
Financial assets				
2025				
Trade and other receivables ¹		2,713.6	–	2,713.6
Loans receivable	Level 3	52.0	–	52.0
Cash and cash equivalents ¹		892.0	–	892.0
Total		3,657.6	–	3,657.6
2024				
Trade and other receivables ¹		2,501.6	–	2,501.6
Loans receivable	Level 3	52.7	–	52.7
Derivative financial instruments	Level 2	–	5.9	5.9
Cash and cash equivalents ¹		975.5	–	975.5
Total		3,529.8	5.9	3,535.7
	Fair value hierarchy R'm	At fair value through profit or loss R'm	At amortised cost R'm	Total R'm
Financial liabilities				
2025				
Borrowings	Level 3	–	(3,133.2)	(3,133.2)
Lease liabilities	Level 3	–	(272.8)	(272.8)
Trade and other payables ¹		–	(2,324.2)	(2,324.2)
Derivative financial instrument	Level 2	(9.7)	–	(9.7)
Total		(9.7)	(5,730.2)	(5,739.9)
2024				
Borrowings	Level 3	–	(3,076.3)	(3,076.3)
Lease liabilities	Level 3	–	(270.4)	(270.4)
Trade and other payables ¹		–	(2,396.8)	(2,396.8)
Derivative financial instrument	Level 2	(2.7)	–	(2.7)
Total		(2.7)	(5,743.5)	(5,746.2)

1. The carrying value reasonably approximates the fair value.

Fair value estimation

Measurement of fair values

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 the Group's Audit Committee.

Notes to the consolidated annual financial statements *(continued)*

for the year ended 31 December 2025

35. Financial risk management *(continued)*

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). Mpact values the assets using a discounted cash flow technique. The expected net cash flows are discounted using a risk-adjusted discount rate.

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 recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) are determined using standard valuation techniques. These valuation techniques maximise the use of observable market data were available and rely as little as possible on Mpact specific estimates.

The significant inputs required to fair value all of Mpact's financial instruments are observable.

Specific valuation methodologies used to value financial instruments include:

- the fair values of interest rate swaps and foreign exchange contracts are calculated as the present value of expected future cash flows based on observable yield curves and exchange rates; and
- other techniques, including discounted cash flow analysis, are used to determine the fair values of other financial instruments.

36. Related party transactions

Mpact has a related party relationship with its subsidiaries, its associates, joint arrangement and Directors. Mpact, in the ordinary course of business, enters into various sales, purchase and services transactions with its joint arrangement and associates and others in which Mpact has a material interest.

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

	2025 R'm	2024 R'm
Sales to joint arrangement	4.1	4.2
Sales to associates	372.5	455.5
Purchases from associates	(4.6)	(0.4)
Dividend income from associates	18.0	16.3
Interest income from joint arrangement	3.1	1.2
Loan to joint arrangement (see note 15)	31.8	13.7
Loan to associate (see note 15)	2.6	5.9
Receivables due from joint arrangement (see note 17)	6.8	2.5
Receivables due from associates ¹ (see note 17)	37.9	82.8
Payables due to associates (see note 26)	(0.8)	(17.0)

1. Payment terms are between 30 and 90 days.

The sales to and purchases from related parties are made on terms equivalent to those that prevail in arm's length transactions. There are no expected credit losses on the receivables from the joint arrangement and associates. Details of the Executive Directors and Prescribed Officers' remuneration is included in note 40.

Notes to the consolidated annual financial statements *(continued)*

for the year ended 31 December 2025

37. Contingent liabilities, contingent assets and performance guarantees

The preparation of Mpact's financial statements includes the use of estimates and assumptions which affect certain items reported in the statement of financial position and the statement of profit or loss and other comprehensive income. The disclosure of contingent assets and liabilities are also affected by the use of estimation techniques. Although the estimates used are based on management's best knowledge of current circumstances and future events and actions, actual results may differ from those estimates.

Performance guarantees disclosure

- (a) Contingent liabilities for Mpact comprise aggregate amounts at 31 December 2025 of R20.8 million (2024: R27.7 million) in respect of guarantees given to municipalities and other third parties.

38. Interest in subsidiaries, associates and joint arrangements

Basis of consolidation

Subsidiary

The consolidated annual financial statements incorporate the assets, liabilities, equity, revenues, expenses and cash flows of Mpact Limited, and of its respective subsidiary undertakings drawn up to 31 December each year. Subsidiary undertakings are those entities over which Mpact has the power, directly or indirectly, to govern operating and financial policy in order to obtain economic benefits.

The results of subsidiaries acquired or disposed of during the years presented are included in the consolidated statement of profit or loss and other comprehensive income from the effective date of acquiring control or up to the effective date of disposal, as appropriate. Where necessary, adjustments are made to the results of subsidiaries to bring their accounting policies into alignment with those used by Mpact.

For each business combination at initial recognition, Mpact elects whether to measure the non-controlling interest in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. After initial recognition non-controlling interests are measured as the aggregate of the value at initial recognition and their subsequent proportionate share of profits and losses.

Equity accounted investees

Refer to note 14 for the accounting policy for associates and joint arrangements.

Translation of foreign operations

Mpact results are presented in South African Rand (the Group's functional and presentation currency), the currency in which most of its business is conducted. On consolidation, the assets and liabilities of Mpact's foreign operations are translated into the presentation currency of Mpact at exchange rates prevailing on the reporting date. Income and expense items are translated at the average exchange rates for the year where these approximate the rates at the dates of transactions. Exchange differences arising, if any, are recognised directly in other comprehensive income, and accumulated in equity. Such translation differences are reclassified from profit or loss only on disposal or partial disposal of the foreign operation.

Control assessment

In determining whether a substantial holding in an entity should be treated as an associate or subsidiary, management reviews the size of its holding, the voting rights it holds, the spread of shareholders and whether it has any arrangement to act in concert with any other investors.

Group structure

Mpact has a number of subsidiary companies that are consolidated into the Group results. There are limited risks associated with these interests, as the subsidiaries operate within the same strategic objectives as Mpact. There are no significant judgements, except Dalisu Holdings Proprietary Limited (refer to note 14), applied in determining whether Mpact controls the companies it has invested in. Mpact does not own any interests in special purpose or structured entities and fully consolidates all investments where the equity interest is greater than 50%.

Notes to the consolidated annual financial statements *(continued)*
for the year ended 31 December 2025

38. Interest in subsidiaries, associates and joint arrangements *(continued)*

	Country of incorporation	Share capital 2025	Share capital 2024	Share holding 2025 %	Share holding 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	R167,177,719	R167,177,719	100	100
West Coast Paper Traders Proprietary Limited	RSA	R400	R400	60	60
Mpact Plastic Containers Castlevue 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		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 Trust					
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. Mpact increased its shareholding from 49% to 74%. As a result of the increased interest, Seyfert Corrugated Western Cape Proprietary Limited was 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 Castlevue Proprietary Limited.

Notes to the consolidated annual financial statements *(continued)*

for the year ended 31 December 2025

38. Interest in subsidiaries, associates and joint arrangements *(continued)*

Voting rights are aligned proportionately with shareholding interests.

Mpact does not have any significant restrictions on its ability to access/use assets, or settle liabilities in any of its subsidiaries. These companies operate principally in the countries in which they are incorporated. The above associates and joint ventures are not considered material to Mpact. Refer to note 14.

The following table summarises the information relating to each of Mpact's subsidiaries that has material non-controlling interests, before any intra-group eliminations.

	Mpact Plastic Containers Castlevew 34% R'm	Other subsidiaries R'm	Total R'm
Summarised financial information of partly-owned subsidiaries 2025			
Non-current assets	787.0	314.8	
Current assets	420.8	942.8	
Non-current liabilities	(0.9)	(98.6)	
Current liabilities	(146.6)	(530.8)	
Net assets	1,060.3	628.2	
Carrying amount of non-controlling interests	360.5	265.4	625.9
2024	34%		
Non-current assets	867.2	261.9	
Current assets	503.9	744.1	
Non-current liabilities	(180.9)	(56.2)	
Current liabilities	(290.0)	(421.8)	
Net assets	900.2	528.0	
Carrying amount of non-controlling interests	306.1	214.5	520.6

Other subsidiaries

The non-current assets from Embalagens Mpact Limitada amounted to R1.3 million (2024: R2.5 million), Detpak Holdings Proprietary Limited amounted to R160.7 million (2024: R175.8 million), West Coast Paper Traders Proprietary Limited amounted to R46.9 million (2024: R37.3 million), Mpact Corrugated Proprietary Limited (Namibia) amounted to R69.2 million (2024: R42.3 million), Mpact Flexo Graphics Proprietary Limited amounted to R3.2 million (2024: R4.0 million) and Seyfert Corrugated Western Cape Proprietary Limited R33.5 million (2024: Rnil million).

The current assets from Embalagens Mpact Limitada amounted to R95.0 million (2024: R85.8 million), Detpak Holdings Proprietary Limited amounted to R270.6 million (2024: R234.2 million), West Coast Paper Traders Proprietary Limited amounted to R267.2 million (2024: R261.9 million), Mpact Corrugated Proprietary Limited Namibia amounted to R160.6 million (2024: R159.1 million), Mpact Flexo Graphics Proprietary Limited amounted to R6.8 million (2024: R3.1 million) and Seyfert Corrugated Western Cape Proprietary Limited R141.8 million (2024: Rnil million).

The non-current liabilities from Detpak Holdings Proprietary Limited amounted to R14.4 million (2024: R26.8 million), West Coast Paper Traders Proprietary Limited amounted to R13.2 million (2024: R3.1 million), Mpact Corrugated Proprietary Limited (Namibia) amounted to R52.8 million (2024: R22.0 million), Mpact Flexo Graphics Proprietary Limited amounted to R4.3 million (2024: R4.3 million) and Seyfert Corrugated Western Cape Proprietary Limited R13.9 million (2024: Rnil million).

The current liabilities from Embalagens Mpact Limitada amounted to R77.6 million (2024: R66.8 million), Detpak Holdings Proprietary Limited amounted to R131.0 million (2024: R130.2 million), West Coast Paper Traders Proprietary Limited amounted to R127.4 million (2024: R137.6 million), Mpact Corrugated Proprietary Limited Namibia amounted to R76.8 million (2024: R84.8 million), Mpact Flexo Graphics Proprietary Limited amounted to R3.0 million (2024: R2.4 million) and Seyfert Corrugated Western Cape Proprietary Limited R115.0 million (2024: Rnil million).

Notes to the consolidated annual financial statements *(continued)*

for the year ended 31 December 2025

38. Interest in subsidiaries, associates and joint arrangements *(continued)*

Revenue

Revenue from Embalagens Mpact Limitada amounted to R77.0 million (2024: R104.9 million), Detpak Holdings Proprietary Limited amounted to R596.5 million (2024: R559.6 million), Mpact Plastic Containers Castlevue Proprietary Limited amounted to R1,181.5 million (2024: R1,304.8 million), West Coast Paper Traders Proprietary Limited amounted to R873.6 million (2024: R805.9 million), Mpact Corrugated Proprietary Limited (Namibia) amounted to R323.3 million (2024: R358.0 million), Mpact Flexo Graphics Proprietary Limited amounted to R19.9 million (2024: R5.8 million) and Seyfert Corrugated Western Cape Proprietary Limited R164.6 million (2024: Rnil million).

Total comprehensive profit

The aggregate total comprehensive profit for non-wholly owned subsidiaries is R251.6 million (2024: R240.6 million), of which a R91.6 million profit (2024: R87.7 million) is attributable to non-controlling shareholders. The aggregated total comprehensive profit from Mpact Plastic Containers Castlevue Proprietary Limited amounted to R180.0 million (2024: R169.8 million).

Cash flows

The aggregated net cash inflow from operating activities is R382.3 million (2024: R475.1 million), aggregated net cash outflow from investing activities is R51.4 million (2024: R270.5 million) and aggregated net cash outflow from financing activities is R246.2 million (2024: outflow of R318.8 million).

39. Events occurring after the reporting date

Springs Mill

On 3 February 2026, Mpact announced the contemplated discontinuation of operations at Springs Mill, which forms part of the Paper reporting segment. This decision was taken after the reporting date and is therefore treated as a non-adjusting event. Subject to the consideration of alternatives, production at the Springs Mill is likely to discontinue once all open orders have been completed. Based on current information, the mill is likely to run until the end of May 2026.

An extract of the assets and liabilities are as follows:

	2025 R'm	2024 R'm
Plant and equipment	76.2	60.7
Inventories	410.5	444.2
Raw materials	104.3	109.9
Capital spares	131.1	125.0
Work in progress	11.4	7.9
Finished goods	163.7	201.4
Trade and other receivables	150.9	148.5
Trade and other payables	(222.7)	(296.8)

Mpact is currently evaluating the future utilisation of the plant and equipment. The consultation process in terms of section 189A of the Labour Relations Act (LRA) has commenced. The outcome of this process remains uncertain and it is therefore not possible at this stage to quantify the potential financial impact.

For the current financial year, Springs Mill recognised revenue amounting to R1,753.3 million (2024: R1,739.5 million) and an operating profit of R2.0 million (2024: R32.1 million). These financial figures include inter-company and inter-divisional transactions.

Management continues to evaluate the full financial and operational implications of the closure.

Dividend declaration

On 5 March 2026, the Board declared a final 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 consolidated financial statements.

Notes to the consolidated annual financial statements *(continued)*

for the year ended 31 December 2025

40. Directors' remuneration

Executive Directors' and Prescribed Officers' remuneration

Prescribed Officers are defined as having general executive control over and management of a significant portion of Mpact or regularly participate therein to a material degree, and are not Directors of Mpact. Prescribed Officers include the three highest paid non-Directors. The remuneration of the Executive Directors and Prescribed Officers, all of which are paid by Mpact, 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
2025							
Executive Directors							
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
Prescribed Officers							
C Botha	4,727,508	1,667,865	159,113	6,554,486	938,174	–	7,492,660
JW Hunt	4,441,156	1,652,110	151,015	6,244,281	929,312	–	7,173,593
HM Thompson	5,850,140	2,180,932	201,528	8,232,600	1,226,774	–	9,459,374
Total	15,018,804	5,500,907	511,656	21,031,367	3,094,260	–	24,125,627
2024							
Executive Directors							
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
Prescribed Officers							
C Botha	4,502,388	1,505,599	82,051	6,090,038	846,899	1,481,481	8,418,418
JW Hunt	4,229,672	1,387,332	119,445	5,736,449	780,374	1,391,752	7,908,575
HM Thompson	5,625,135	1,980,048	164,252	7,769,435	1,113,777	1,881,862	10,765,074
Total	14,357,195	4,872,979	365,748	19,595,922	2,741,050	4,755,095	27,092,067

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) in April 2026, based on 2025 short-term incentive performance and vesting in March 2029 (2024: Value of the bonus share granted (56.25% of STI) in 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.

Notes to the consolidated annual financial statements *(continued)*

for the year ended 31 December 2025

40. Directors' remuneration *(continued)*

Share awards granted to Executive Directors and Prescribed Officers

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

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 ⁴	Cumulative effects of share price movement gain/(loss) ³	Value of shares vested during the year ⁴	Value of shares lapsed or expected to lapse at vesting date	Market value of shares 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

Notes to the consolidated annual financial statements *(continued)*

for the year ended 31 December 2025

40. Directors' remuneration *(continued)*

EXECUTIVE DIRECTOR

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 at 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
			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 awards/ granted during the year ²	Cumulative effects of share price movement gain/ (loss) ³	Value of shares vested during the year ⁴	Value of shares lapsed or expected to lapse at vesting date	Market value of shares at 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
			5,342,436	5,138,090	(1,667,231)	–	6,370,908	2,442,387

Notes to the consolidated annual financial statements *(continued)*

for the year ended 31 December 2025

40. Directors' remuneration *(continued)*

PRESCRIBED OFFICER

C Botha

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	50,108	–	50,108	–	–
PSP	Apr 22	Mar 25	125,662	–	50,152	75,510	–
BSP	Apr 23	Mar 26	45,874	–	–	–	45,874
PSP	Apr 23	Mar 26	145,047	–	–	145,047	–
BSP	Apr 24	Mar 27	45,648	–	–	–	45,648
PSP	Apr 24	Mar 27	164,165	–	–	164,165	–
DSA	Jun 25	Mar 28	–	32,607	–	–	32,607
PSA	Jun 25	Mar 28	–	182,014	–	120,129	61,885
			576,504	214,621	100,260	504,851	186,014

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 awards/ granted during the year ²	Cumulative effects of share price movement gain/ (loss) ³	Value of shares vested during the year ⁴	Value of shares lapsed or expected to lapse at vesting date	Market value of shares at 31 December 2025 ⁵
BSP	Apr 22	31.89	1,597,829	–	(221,853)	1,375,976	–	–
PSP	Apr 22	31.89	4,007,072	–	(556,369)	1,377,184	2,073,519	–
BSP	Apr 23	29.28	1,343,365	–	(311,200)	–	–	1,032,165
PSP ⁶	Apr 23	29.28	4,247,527	–	(983,970)	–	3,263,557	–
BSP	Apr 24	27.43	1,251,933	–	(224,853)	–	–	1,027,080
PSP ⁶	Apr 24	27.43	4,502,356	–	(808,644)	–	3,693,712	–
DSA	Jun 25	25.97	–	846,911	(113,254)	–	–	733,657
PSA	Jun 25	25.97	–	4,727,504	(632,189)	–	2,702,908	1,392,407
			16,950,082	5,574,415	(3,852,332)	2,753,160	11,733,696	4,185,309

Notes to the consolidated annual financial statements *(continued)*

for the year ended 31 December 2025

40. Directors' remuneration *(continued)*

PRESCRIBED OFFICER

JW Hunt

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	46,523	–	46,523	–	–
PSP	Apr 22	Mar 25	118,051	–	47,114	70,937	–
BSP	Apr 23	Mar 26	42,922	–	–	–	42,922
PSP	Apr 23	Mar 26	136,261	–	–	136,261	–
BSP	Apr 24	Mar 27	43,473	–	–	–	43,473
PSP	Apr 24	Mar 27	154,222	–	–	154,222	–
DSA	Jun 25	Mar 28	–	30,045	–	–	30,045
PSA	Jun 25	Mar 28	–	170,989	–	112,853	58,136
Total number of shares			541,452	201,034	93,637	474,273	174,576

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 awards/ granted during the year ²	Cumulative effects of share price movement gain/ (loss) ³	Value of shares vested during the year ⁴	Value of shares lapsed or expected to lapse at vesting date	Market value of shares at 31 December 2025 ⁵
BSP	Apr 22	31.89	1,483,511	–	(205,981)	1,277,530	–	–
PSP	Apr 22	31.89	3,764,375	–	(522,671)	1,293,760	1,947,944	–
BSP	Apr 23	29.28	1,256,919	–	(291,174)	–	–	965,745
PSP ⁶	Apr 23	29.28	3,990,240	–	(924,367)	–	3,065,873	–
BSP	Apr 24	27.43	1,192,282	–	(214,139)	–	–	978,143
PSP ⁶	Apr 24	27.43	4,229,662	–	(759,667)	–	3,469,995	–
DSA	Jun 25	25.97	–	780,368	(104,355)	–	–	676,013
PSA	Jun 25	25.97	–	4,441,149	(593,896)	–	2,539,187	1,308,066
Total market value of shares			15,916,989	5,221,517	(3,616,250)	2,571,290	11,022,999	3,927,967

Notes to the consolidated annual financial statements *(continued)*

for the year ended 31 December 2025

40. Directors' remuneration *(continued)*

PRESCRIBED OFFICER

HM Thompson

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	63,939	–	63,939	–	–
PSP	Apr 22	Mar 25	159,623	–	63,706	95,917	–
BSP	Apr 23	Mar 26	60,540	–	–	–	60,540
PSP	Apr 23	Mar 26	182,508	–	–	182,508	–
BSP	Apr 24	Mar 27	60,771	–	–	–	60,771
PSP	Apr 24	Mar 27	205,103	–	–	205,103	–
DSA	Jun 25	Mar 28	–	42,882	–	–	42,882
PSA	Jun 25	Mar 28	–	225,237	–	148,656	76,581
Total number of shares			732,484	268,119	127,645	632,184	240,774

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 awards/ granted during the year ²	Cumulative effects of share price movement gain/ (loss) ³	Value of shares vested during the year ⁴	Value of shares lapsed or expected to lapse at vesting date	Market value of shares at 31 December 2025 ⁵
BSP	Apr 22	31.89	2,038,868	–	(283,090)	1,755,778	–	–
PSP	Apr 22	31.89	5,090,010	–	(706,731)	1,749,380	2,633,899	–
BSP	Apr 23	29.28	1,772,841	–	(410,691)	–	–	1,362,150
PSP ⁶	Apr 23	29.28	5,344,528	–	(1,238,098)	–	4,106,430	–
BSP	Apr 24	27.43	1,666,693	–	(299,346)	–	–	1,367,347
PSP ⁶	Apr 24	27.43	5,625,114	–	(1,010,296)	–	4,614,818	–
DSA	Jun 25	25.97	–	1,113,787	(148,942)	–	–	964,845
PSA	Jun 25	25.97	–	5,850,148	(782,316)	–	3,344,769	1,723,063
Total market value of shares			21,538,054	6,963,935	(4,879,510)	3,505,158	14,699,916	5,417,405

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 difference between the face value at the award/grant date and the sum of the value at vesting, the value lapsed or expected to lapse and the market value at 31 December 2025.

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

5. Market value at 31 December 2025 is the closing share price which 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).

Notes to the consolidated annual financial statements *(continued)*

for the year ended 31 December 2025

40. Directors' remuneration *(continued)*

	Paid by Mpact Limited			Paid by Mpact Operations Proprietary Limited ²			Total paid by Group
R's	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
Director' 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 Non-Executive Directors 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 10 April 2025.

6. Appointed on 17 May 2024.

7. Retired on 6 June 2024 from Mpact Limited and Mpact Operations Proprietary Limited.

