06

ANNUAL FINANCIAL STATEMENTS

Chief Financial Officer's Report

"In a challenging trading environment, Mpact delivered a resilient financial performance, generating EBITDA of R1.5 billion. This outcome reflects continued focus on cost control, margin management and disciplined capital allocation. While economic conditions remain uncertain, Mpact is well positioned to benefit from an improvement in domestic economic activity and global paper markets, underpinned by a well-invested asset base and a continued emphasis on financial discipline."

Hannes Snyman
Chief Financial Officer

Group financial performance from continuing operations

Group revenue was up by 5.0% compared to the prior year, mostly driven by higher sales volumes in the Paper business. Paper revenue was up 7.4% due to higher containerboard and agricultural corrugated packaging sales volumes, as well as an improved product mix. Plastics revenue was down 7.5% on the back of lower sales volumes in Bins & Crates and FMCG Wadeville, partly offset by a positive mix change and higher volumes in the rest of the FMCG business.

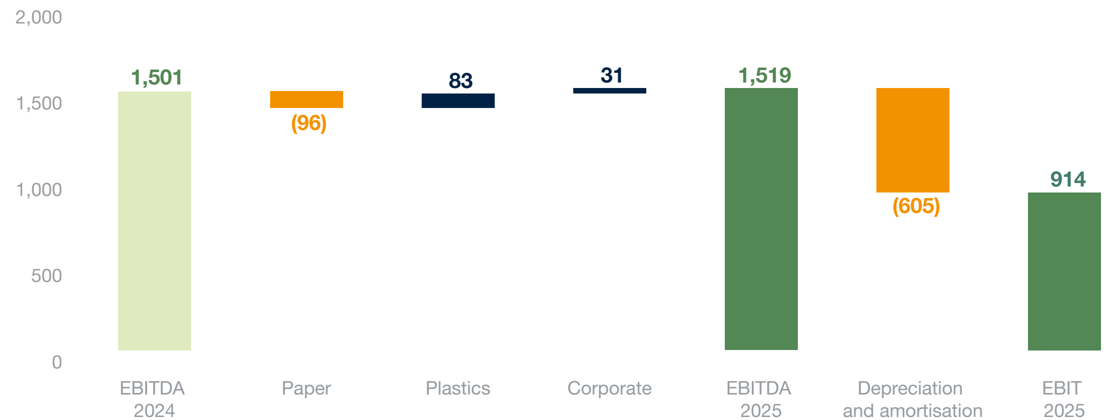
The revenue growth in the Paper business was offset by higher input costs, especially recovered paper costs, and an increase in external paper purchases due to the project-related downtime at the Mkhondo mill. Although absolute gross profit improved by 1.7%, margins reduced by approximately 2 percentage points.

An improved product mix due to our portfolio optimisation efforts in Plastics, as well as lower polymer prices, more than offset the decrease in revenue. This resulted in an increase in absolute gross profit of 7.9%.

Controllable costs were well managed, increasing by 3.7% despite an above inflationary increase in employee-related costs due to less downtime at the paper mills in 2025. Excluding an unfavourable foreign exchange movement, insurance income and the additional fixed costs from the Seyfert acquisition, fixed costs only increased by 2.7%. We remain focused on cost control and taking restructuring actions where necessary. This is evidenced by the reduction in fixed costs in the Plastics business, where both Bins & Crates and FMCG Wadeville reduced their cost base to cater for weak demand in certain segments of the market.

The strengthening of the Rand towards the end of 2025, resulted in the Group suffering foreign exchange losses of R47 million (mostly in Paper Manufacturing), compared to a gain of R4 million in the prior year.

Underlying EBITDA development (R'million)



Chief Financial Officer's Report *(continued)*

EBITDA increased by 1.2% to R1,519 million and underlying operating profit is down slightly to R914 million (2024: R923 million). The slight decrease in profitability is mostly due to Paper Manufacturing, whereas most of the other businesses recorded an increase in profitability.

Basic earnings per share for continuing operations increased to 329.3 cents (2024: 327.1 cents) and headline earnings per share decreased to 306.6 cents (2024: 323.6 cents), respectively. Basic earnings was higher than underlying and headline earnings, as it includes a gain on the remeasurement of our previously held investment in Seyfert of R45 million (R33 million net of tax).

ROCE for continuing operations was 10.9% (2024: 11.7%), primarily due to the substantial capital investment in the Mkhondo mill, which has not yet contributed to earnings. Excluding capital work-in-progress (CWIP), ROCE for the year was 11.3% (2024: 13.7%). The majority of the Mkhondo project was capitalised on 1 December 2025 and therefore no longer included in CWIP at year-end.

Net finance costs

Net finance costs decreased to R245 million (2024: R297 million) mainly due to lower interest rates and R71 million (2024: R47 million) of interest costs capitalised to the Mkhondo mill project. Going forward, minimal interest will be capitalised towards this project, as the majority of the upgrade has been completed. Average net debt for the 2025 financial year was R3.3 billion, which was in line with the prior year.

Tax

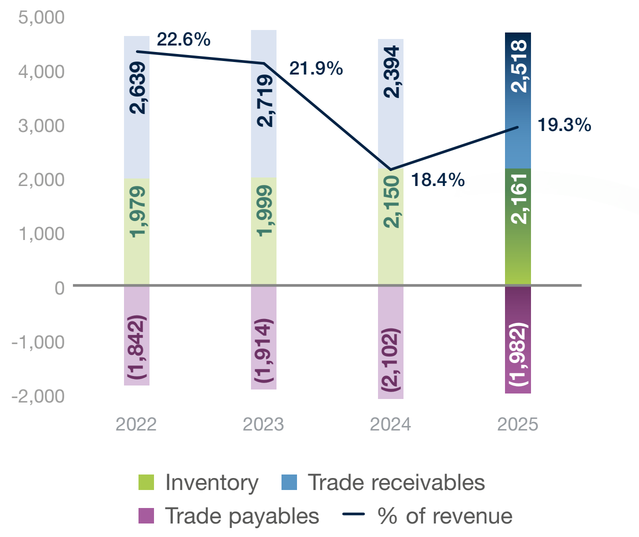
The effective tax rate for continuing operations of 20.8% is lower than the statutory rate due to the recognition of a deferred tax asset of R43 million attributable to previously unrecognised tax losses in Bins & Crates. As at the end of 2025, there are no unrecognised tax losses remaining at any of the Group companies.

The effective tax rate for continuing operations in 2024 of 12.3% was also lower than the statutory rate due to the recognition of a deferred tax asset of R73 million attributable to previously unrecognised tax losses in Bins & Crates, as well as a positive variance of R28 million related to tax allowances claimed on submission of tax returns.

Working capital

Trade working capital increased by R255 million, mainly due to an increase in activity in the Paper business, where revenue increased by 7.4%, which resulted in higher inventory and trade receivables. However, the downtime taken at Springs mill in December 2025 resulted in lower trade payables due to less procurement during that period.

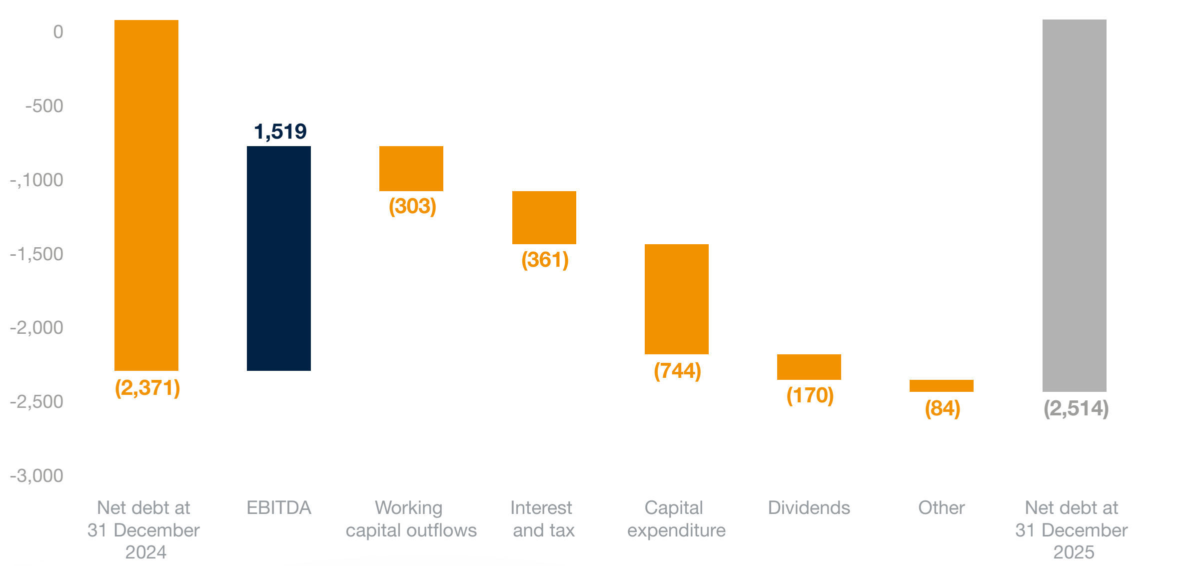
Net working capital (R'million)



Funding and liquidity

Net debt of R2.514 billion is higher than the prior year (December 2024: R2.371 billion), with cash generated from operations being offset by working capital outflows and capital investments, in line with the Group's strategy, as well as dividend payments of R170 million. Gearing of 28.7% was in line with the prior year (December 2024: 28.9%).

Movement in net debt (R'million)



In November 2025, the Group refinanced its bank debt facilities of R4.0 billion, comprising R3.0 billion of new revolving credit facilities (RCF) with maturities ranging from three to five years, together with R1.0 billion of 367 day notice and overdraft facilities. As at 31 December 2025, R3.1 billion was drawn against committed bank facilities of R4.0 billion, leaving headroom of about R900 million. This excludes the R300 million Bins & Crates RCF, which was undrawn as at 31 December 2025.

Mpact met its bank covenants during the most recent measurement period.

Group bank debt facilities (R'million)

Chief Financial Officer's Report *(continued)*

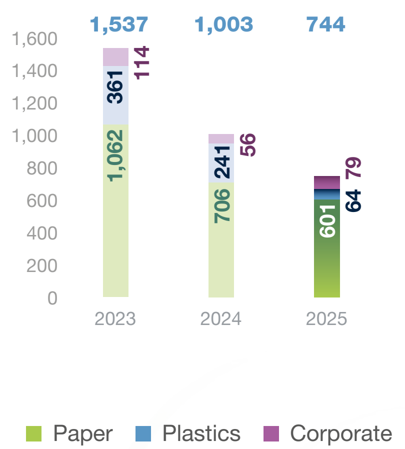
Capital expenditure

Capital expenditure during the period was R744 million, of which R315 million related to the Mkhondo mill project. This brings the total spend on this project as at 31 December 2025 to R1,083 million, with a further R247 million remaining. The outstanding balance relates mostly to the environmental parts of the project and will be completed during 2026 and 2027.

We have also made investments in 2025 in our Corrugated East London, Port Elizabeth and Namibian operations of R95 million to replace ageing equipment, which will improve efficiencies and reduce production costs.

As at the end of December 2025, the Group had capital commitments which has been contracted totalling R327 million.

Capital expenditure (R'million)



Acquisition of Seyfert

On 1 August 2025, Mpact increased its shareholding in Seyfert from 49% to 74% for a purchase consideration of R42.6 million. Seyfert manufactures and distributes corrugated packaging products, predominantly to the agricultural sector.

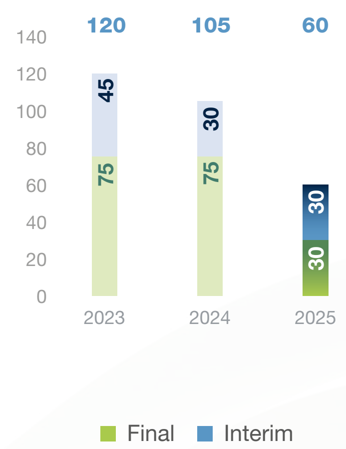
Seyfert contributed R165 million to revenue and R14 million to underlying operating profit since Mpact increased its shareholding.

Ordinary dividend

A final cash dividend of 30 cps (2024: 75 cps) was approved by the Board bringing the total cash dividend for the year to 60 cps (2024: 105 cps). Although the Board targets a return of approximately three times cover on underlying HEPS, it was decided to reduce the pay-out ratio for this period to reflect the current trading environment, which includes a global oversupply of most recycled paper grades, weak local demand and the potential closure of our Springs mill.

The Board will continue to focus on driving long-term value for shareholders through prudent capital allocation in the context of growth opportunities and cash returns to shareholders by dividends and share buybacks.

Ordinary dividend (Cents per share)



Outlook

Following a period of significant investment, the focus is now shifting towards improving earnings, strengthening cash generation and reducing net debt. Investments in the Felixton mill, as well as the Bins & Crates and Corrugated businesses, are delivering encouraging operational benefits, although these gains have been partially offset by the prolonged down cycle in the paper industry.

The Group is well positioned to benefit from an improvement in economic conditions, underpinned by a well invested asset base. Disciplined capital allocation, continued cost control and ongoing operational efficiency initiatives will remain key priorities as the business seeks to enhance returns and balance sheet strength.

Hannes Snyman
Chief Financial Officer

24 April 2026

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."

Saleh Mayet
Chair, Audit and Risk Committee

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 AGM.

Meetings

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

Name	Member since	Meetings attended
Sibusiso Luthuli[1]	December 2018	2/4
Fikile Futwa	May 2024	4/4
Donald Wilson	January 2022	4/4
Saleh Mayet[2]	June 2025	2/4

1. Resigned as an Audit and Risk Committee member in June 2025.
2. Appointed at the AGM, 5 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.

Audit and Risk Committee Report *(continued)*

Independence of external auditors

This assessment was made after considering the following:

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

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.

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

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

Internal financial control and compliance

The Committee:

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

Internal financial reporting control

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

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

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

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

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

Audit and Risk Committee Report *(continued)*

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 our environmental footprint, and
- compliance with laws, regulations and contracts.

A Risk Management Committee identifies and evaluates strategic and operational risks against ten 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 regarding ICT governance-related matters. The Committee reviews and approves the ICT Steering Committee Terms of Reference on an annual basis and delegates to management the responsibility to implement and execute effective technology and information management. This gives guidance to the ICT management team and ensures effective and efficient management of all ICT resources.

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

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

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

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

- Assessed the effectiveness of risk identification and mitigation processes relating to IT and fraud, including the implementation of relevant controls by discussing these with the external ICT advisor;
- Reviewed the Group's cybersecurity standards in light of emerging cyber threats and regulatory developments by discussing these with the ICT advisor;

- Ensured that formalised disaster recovery plans are in place to minimise disruptions in the event of a disaster by discussing these with the CIO and ICT advisor;
- Ensured that information governance processes are in place to manage personal data in compliance with privacy legislation, and to protect the Group's intellectual property embedded in its systems.

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

Legal and regulatory requirements

The Committee considered the impact of potential significant matters on the Audited Consolidated and Separate Annual Financial Statements by:

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

The Committee was satisfied that no significant matters were identified that may adversely impact the Audited Consolidated and Separate Annual Financial Statements.

Combined assurance

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

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

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

Integrated Report

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

Governance

The Board 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

Audit and Risk Committee Report *(continued)*

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

Assurance

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

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

On behalf of the Audit and Risk Committee

Saleh Mayet
Chair, Audit and Risk Committee

24 April 2026

Approval of the Summarised Consolidated Annual Financial Statements

The Directors confirm that to the best of their knowledge, the Summarised Consolidated Annual Financial Statements are prepared in accordance with IAS 34: *Interim Financial Reporting*, the South African Institute of Chartered Accountants (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, fairly present the assets, liabilities, financial position and profit of the Group and the undertakings included in the consolidation taken as a whole. The Directors believe that the Group has adequate resources to continue in operation for the foreseeable future and the Summarised Consolidated Annual Financial Statements have therefore been prepared on a going concern basis.

The Summarised Consolidated Annual Financial Statements and related notes, which appear on @ **pages 119 to 141**, were approved by the Board and authorised for issue on 24 April 2026 and were signed on its behalf by:

PCS Luthuli
Chairman

BW Strong
Chief Executive Officer

Directors' Responsibility Statement and Basis of Preparation

The Directors are responsible for preparing the Summarised Consolidated Annual Financial Statements in accordance with applicable laws and regulations. These Summarised Consolidated Annual Financial Statements have been prepared using accounting policies compliant with IFRS and are prepared in accordance with IAS 34: *Interim Financial Reporting*, 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. The Directors take full responsibility for the preparation of the Summarised Consolidated Annual Financial Statements and the financial information has been correctly extracted from the underlying Consolidated Annual Financial Statements.

Certificate by Acting Group Company Secretary

In terms of section 88(2)(e) of the Companies Act, I certify that Mpact has lodged with the Companies and Intellectual Property Commission all such returns and notice 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
Acting Group Company Secretary

24 April 2026

Report of the Directors

The Directors have pleasure in presenting their report on the Summarised 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 is incorporated in the Republic of South Africa and is listed on the 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 summarised 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).

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 19 to the summarised 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 14 of the summarised 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.

The Board is 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

The above dates are subject to change and 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 MOI, 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 15 of the summarised 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
M Makanjee	Independent Non-executive
DG Wilson	Independent Non-executive
ABA Conrad	Independent Non-executive
FC Futwa	Independent Non-executive
S Mayet	Independent Non-executive (appointed on 10 April 2025)
CD Raphiri	Independent Non-executive (appointed on 15 September 2025)
BW Strong (Chief Executive Officer)	Executive
JJ Snyman (Chief Financial Officer)	Executive
AJ Phillips	Independent Non-executive (retired on 29 May 2025)

Acting 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 DM 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

During the current financial year, Mpact provided financial assistance as per section 45 of the Companies Act to Mpact Operations. Mpact stands as a guarantor and pledged certain assets, namely, property, cash and other receivables, as security for the bank facilities of Mpact Operations. Based on management's assessment, it is considered unlikely that Mpact Operations 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 Summarised Consolidated Annual 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 Summarised 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 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 107 to 112**.

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 26).

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 summarised consolidated annual financial statements.

Interest of Directors and Prescribed Officers in share capital

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

	2025 Direct number of shares	**2025 Indirect number of shares**	**2025 Restricted number of shares**	2024 Direct number of shares	2024 Indirect number of shares
Executive Director					
BW Strong	**1,332,164**	**–**	**37,028**	1,254,632	–
JJ Synman	**–**	**7,350**	**17,541**	–	7,350

	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
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 relate 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

	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

Independent Auditor's Report

pwc

Independent auditor's report on the summary consolidated financial statements

To the shareholders of Mpact Limited

Opinion

The summary consolidated financial statements of Mpact Limited, set out on pages 119 to 141, which comprise the summary consolidated statement of financial position as at 31 December 2025, the summary consolidated statement of profit or loss and other comprehensive income, changes in equity and cash flows for the year then ended, and related notes, are derived from the audited consolidated financial statements of Mpact Limited for the year ended 31 December 2025.

In our opinion, the accompanying summary consolidated financial statements are consistent, in all material respects, with the audited consolidated financial statements, in accordance with the requirements of the JSE Limited Listings Requirements for summary financial statements, as set out in note 1 to the summary consolidated financial statements, and the requirements of the Companies Act of South Africa as applicable to summary financial statements.

Summary consolidated financial statements

The summary consolidated financial statements do not contain all the disclosures required by IFRS Accounting Standards and the requirements of the Companies Act of South Africa as applicable to annual financial statements. Reading the summary consolidated financial statements and the auditor's report thereon, therefore, is not a substitute for reading the audited consolidated financial statements and the auditor's report thereon. The summary consolidated financial statements and the audited consolidated financial statements do not reflect the effects of events that occurred subsequent to the date of our report on the audited consolidated financial statements.

The audited consolidated financial statements and our report thereon

We expressed an unmodified audit opinion on the audited consolidated financial statements in our report dated 6 March 2026. That report also includes communication of 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.

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

www.pwc.co.za

Director's responsibility for the summary consolidated financial statements

The directors are responsible for the preparation of the summary consolidated financial statements in accordance with the requirements of the JSE Limited Listings Requirements for summary financial statements, set out in note 1 to the summary consolidated financial statements, and the requirements of the Companies Act of South Africa as applicable to summary financial statements.

Auditor's responsibility

Our responsibility is to express an opinion on whether the summary consolidated financial statements are consistent, in all material respects, with the audited consolidated financial statements based on our procedures, which were conducted in accordance with International Standard on Auditing (ISA) 810 (Revised), *Engagements to Report on Summary Financial Statements.*

PricewaterhouseCoopers Inc.

PricewaterhouseCoopers Inc.
Director: S Bootha
Registered Auditor
Johannesburg, South Africa
23 April 2026

Summarised Consolidated Annual Financial Statements

Summarised 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	12	**44.7**	–
Share of profit from equity accounted investees	12	**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	21	**–**	22.4
Profit for the year		**577.0**	592.1

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

	Notes	2025 R'm	2024 R'm
Other comprehensive loss			
Items that will not be reclassified subsequently to profit or loss			
Actuarial (losses)/gains on post-retirement benefit scheme		**(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

Summarised 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		**5,468.4**	5,303.7
Investment property	10	**125.2**	–
Right-of-use assets		**218.3**	221.5
Investments in equity accounted investees	12	**146.4**	182.1
Other financial assets		**46.9**	45.9
Deferred tax assets	16	**96.5**	94.5
Non-current assets		**6,633.1**	6,273.7
Inventories		**2,160.8**	2,156.2
Trade and other receivables	13	**2,799.4**	2,581.1
Other financial assets		**5.1**	6.8
Derivative financial instruments		**–**	5.9
Current tax receivables		**9.3**	5.5
Cash and cash equivalents		**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	14	**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

	Notes	2025 R'm	2024 R'm
Interest and non-interest-bearing borrowings	15	**3,126.0**	3,057.6
Lease liabilities		**196.0**	207.8
Retirement benefits obligation		**37.7**	31.7
Deferred tax liabilities	16	**444.9**	320.4
Provisions		**2.1**	2.4
Non-current liabilities		**3,806.7**	3,619.9
Interest and non-interest-bearing borrowings	17	**7.2**	18.7
Lease liabilities		**76.8**	62.6
Trade and other payables	18	**2,324.2**	2,396.8
Provisions		**2.6**	6.5
Derivative financial instruments		**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

Summarised 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	22a	**1,227.2**	1,868.4
Dividends received from equity accounted investees		**18.0**	16.3
Taxation paid	22b	**(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	20	**(33.6)**	–
Additions to property, plant and equipment and intangible assets		**(743.9)**	(1,003.1)
Acquisition of equity accounted investee	12	**–**	(67.0)
Proceeds from the disposal of property, plant and equipment		**29.8**	4.6
Cash received from disposal of business		**–**	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)

	Notes	2025 R'm	2024 R'm
Cash flows from financing activities			
Proceeds from borrowings raised		**2,591.3**	1,169.8
Repayment of borrowings		**(2,539.2)**	(1,419.4)
Repayments of lease liabilities		**(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 year[2]		**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.*

Summarised 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.*

Notes to the Summarised Consolidated Annual Financial Statements

for the year ended 31 December 2025

1. Accounting policies

Basis of preparation

These summarised consolidated annual financial statements have been prepared in accordance with the framework concepts and measurement and recognition requirements of IFRS® Accounting Standards as issued by the International Accounting Standards Board (IASB), the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and Financial Reporting Pronouncements as issued by Financial Reporting Standards Council, the JSE Limited's Listings Requirements and the Companies Act of South Africa and contains at a minimum the information required by IAS 34: *Interim Financial Reporting*. The basis of preparation is consistent with the prior year, except for new and revised standards adopted. These summarised consolidated financial statements for the year ended 31 December 2025 have been audited by PricewaterhouseCoopers Inc. (PwC), which expressed an unmodified opinion thereon. The auditor also expressed an unmodified opinion on the consolidated annual financial statements from which these summarised consolidated annual financial statements were derived. Refer to **page 118** for the Independent Auditor's Report on the summarised consolidated annual financial statements. The auditor's report does not necessarily report on all of the information contained in this announcement. A copy of the audited consolidated annual financial statements, together with the unmodified auditor's opinion, which includes the key audit matters, is available for inspection at the company's registered office and the Group's website, **https://www.mpact.co.za/investor-relations/financial-results/2025/GROUPAFSFY2025.pdf**. Shareholders are therefore advised that in order to obtain a full understanding of the nature of the auditor's engagement, they should obtain a copy of that report together with the accompanying financial information from the registered office of Mpact. Any reference to future financial performance included in this announcement has not been reviewed or reported on by Mpact's auditors. The preparation of these summarised consolidated annual financial statements was supervised by the Chief Financial Officer, JJ Snyman CA(SA). The Directors take full responsibility for the preparation of the summarised consolidated financial statements, and the financial information has been correctly extracted from the underlying consolidated annual financial statements.

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.

Notes to the Summarised Consolidated Annual Financial Statements *(continued)*

for the year ended 31 December 2025

1. Accounting policies *(continued)*

- **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.

- **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 summarised 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.

4. Operating segments

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

	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 summarised consolidated statement of profit or loss and other comprehensive income remains unchanged.*

Notes to the Summarised 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)

2. *In the current year, Mpact revised its allocation of unrealised profit in stock relating to 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.*

	2025 R'm	2024 R'm
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)
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)

4. Operating segments *(continued)*

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

	2025 R'm	2024 R'm
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)
Non-current non-financial assets[4]		
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 assets[4]		
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

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

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

Notes to the Summarised 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
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
Additions to non-current non-financial assets[5]		
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 assets[5]		
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	**10.8**	8.3
Depreciation of property, plant and equipment	**514.1**	501.8
Depreciation of investment property	**5.5**	–
Depreciation of right-of-use assets	**75.1**	68.1
Impairment charge/(reversal) on plant and equipment	**2.6**	(2.6)
Increase in expected credit loss allowance	**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)

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.

6. Net finance costs

	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	**(3.1)**	(3.7)
Total finance expense	**(262.5)**	(321.7)
Net finance costs	**(244.4)**	(297.2)

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

7. Tax expense

	2025 R'm	2024 R'm
Analysis of tax charge for the year		
South African – current year	**(51.7)**	(113.4)
– prior year	**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	**(101.7)**	9.6
Deferred tax in respect of prior year	**1.0**	(25.7)
Total tax expense	**(148.2)**	(77.4)

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.

8. Earnings per share

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

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

Notes to the Summarised Consolidated Annual Financial Statements *(continued)*

for the year ended 31 December 2025

8. Earnings per share *(continued)*

	2025 Cents per share	2024 Cents per share
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.*

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 12)	**(44.7)**	**(32.6)**
Impairment of plant and equipment (refer to note 11)	**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 11)	(2.6)	(1.9)
Profit on de-recognition 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 11)	**2.6**	**1.9**
Gain on remeasurement of previously held investment in equity accounted investee (refer to note 12)	**(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 11)	(2.6)	(1.9)
Underlying earnings for the financial year		480.1

8. Earnings per share *(continued)*

	Gross R'm	Net R'm
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

	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 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 20)	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.*

Notes to the Summarised Consolidated Annual Financial Statements *(continued)*

for the year ended 31 December 2025

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

Goodwill allocated to the cash-generating units are as follows:

	2025 R'm	2024 R'm
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. Investment property

During the current year, land and buildings with a carrying value of R130.7 million were reclassified from property, plant and equipment. Following this reclassification, a depreciation expense of R5.5 million was recognised. These land and buildings were previously utilised by Group subsidiaries and subsequently leased to external parties.

11. 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.

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.

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

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	
CGUs	**2025 %**	2024 %	**2025 %**	2024 %	**2025 %**	2024 %
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 Castleview[1]	**2.6**	–
	2.6	(2.6)
Total charge/(reversal) of impairment	**2.6**	(2.6)

1. Related to a specific plant and equipment.

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.

Notes to the Summarised Consolidated Annual Financial Statements *(continued)*

for the year ended 31 December 2025

12. Investments in equity accounted investees

	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 venture[3]		
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 account investees[4]	**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.*

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 pre-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.

13. Trade and other receivables

	2025 R'm	2024 R'm
Trade receivables		
– external	**2,581.1**	2,401.1
– related parties (refer to note 24)	**44.7**	85.3
Total trade receivables	**2,625.8**	2,486.4
Allowance for expected credit losses	**(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 15).

14. Stated capital

	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 the 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.

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.

15. Interest and non-interest-bearing borrowings

	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 subsidiary[10]	**–**	3.6
Total borrowings	**3,133.2**	3,064.3
***Less:* Current portion (refer to note 17)**	**(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.*

Notes to the Summarised Consolidated Annual Financial Statements *(continued)*

for the year ended 31 December 2025

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

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.

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.

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

Certain inter-company 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.

16. 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.

17. Short-term borrowings

	2025 R'm	2024 R'm
Minority shareholder loans (refer to note 15)	–	3.6
Bank overdrafts	–	12.0
Instalment loan facilities (refer to note 15)	**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.

18. Trade and other payables

	2025 R'm	2024 R'm
Trade payables	**1,478.6**	1,537.4
Amounts owed to related parties (refer to note 24)	**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.

19. 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.

20. Business combination

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.

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:

	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**

Notes to the Summarised Consolidated Annual Financial Statements *(continued)*

for the year ended 31 December 2025

20. Business combination *(continued)*

	R'm
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 Mpact'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 Mpact's results. The estimated consolidated revenue would have been R13,970.5 million and an estimated profit after tax of R578.1 million.

21. Discontinued operation

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.*

21. Discontinued operation *(continued)*

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)

22. 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	**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

	2025 R'm	2024 R'm
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)

Notes to the Summarised Consolidated Annual Financial Statements *(continued)*

for the year ended 31 December 2025

23. Contingent liabilities, contingent assets and performance guarantees

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.

24. 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	**31.8**	13.7
Loan to associate	**2.6**	5.9
Receivables due from joint arrangement	**6.8**	2.5
Receivables due from associates[1]	**37.9**	82.8
Payables due to associates	**(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.

25. Financial risk management

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)**

25. Financial risk management *(continued)*

	Fair value hierarchy R'm	At fair value through profit or loss R'm	At amortised cost R'm	Total R'm
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.*

26. 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.