03

OPERATIONAL REVIEW

Chief Executive Officer's Report

2025 was a demanding year, marked by sustained economic pressure and difficult trading conditions across several of our markets. While overall performance was mixed, we made progress in strengthening Mpact's strategic position through disciplined capital investment, portfolio optimisation and operational improvements.

Bruce Strong
CEO

With the bulk of our major investment cycle completed, including the commissioning of the Mkhondo mill upgrade, we are shifting focus to converting the asset base into stronger earnings, cash generation and improved returns. Portfolio actions already taken, together with capital discipline and operational efficiency initiatives, are intended to strengthen the balance sheet and support sustainable shareholder returns as we move through 2026.

The year in context

The Group's results for the year ended 31 December 2025 were delivered in an operating environment that remained demanding, with mixed performances across the portfolio, but affirmed the strategic choices made in recent years. Macroeconomic conditions were characterised by a weak domestic economy, persistent infrastructure constraints and elevated geopolitical uncertainty. From an industry perspective, global oversupply of containerboard and cartonboard led to lower margins and intensified competition from imports. These headwinds were offset by robust growth in the fruit sector and improved efficiencies across most of Mpact's businesses. Record citrus export volumes in 2025 reinforced the structural attractiveness of this market and validated the Group's strategic focus on investing in export oriented, growth sectors.

Against this backdrop, Mpact continued to execute its capital investment and portfolio optimisation projects with discipline, aimed at unlocking long-term shareholder value, and delivered an improved performance in the second half of the year.

The Group achieved good volume growth in containerboard, citrus cartons, jumbo bins and agricultural crates, and FMCG Plastics (excluding Wadeville), supported by recent investments at the Felixton mill, Bins & Crates and Paper Converting operations. These gains were partially offset by lower volumes in cartonboard, industrial corrugated packaging, Plastics FMCG Wadeville and beverage crates.

In the Paper business, sales volumes increased, contributing to higher revenue, but margin pressure resulted in a decline in operating profit. The reduction in Paper's profitability is mostly attributable to Paper Manufacturing, whereas the Paper Converting business delivered a notable increase in operating profit in a competitive market. Despite lower sales volumes, the Plastics business delivered a significant increase in operating profit, supported by an improved product mix, lower input costs and an improved performance from FMCG Wadeville.

Delivering on our strategy

Mpact made meaningful progress on its strategic development during the year. We substantially completed our long-term investment projects and took decisive portfolio actions to focus the business on areas of strength. The multi-year upgrade of the Mkhondo mill was substantially completed, with the new pulp digester and sodium-lignosulphonate (SLS) plant commissioned and capitalised. The pulp mill is already delivering improved efficiency, while the SLS plant is undergoing optimisation, with meaningful output expected in the second half of 2026. This project supports Mpact's strategy of portfolio enhancement and strengthens its position in export oriented agricultural packaging.

The sale of Versapak in November 2024 reflects disciplined capital management and portfolio optimisation. The restructuring of FMCG Wadeville is largely complete, with the business now focused on higher-margin products and better aligned with long-term market trends. In early 2026, Mpact announced the contemplated closure of the Springs mill, following sustained import pressure, utility disruptions and customer attrition. This action reflects the Group's commitment to disciplined portfolio management and is expected to be cash positive and margin accretive over time. In support of its broader energy resilience and cost efficiency objectives, the Group's solar PV generation capacity reached 17.7MWp in 2025. These initiatives mark a clear shift from investment-led growth to disciplined value realisation, with the Group increasingly focused on optimising returns from its modernised asset base, improving cash generation and delivering sustainable shareholder value.

Operational review

Group revenue from continuing operations for the year ended 31 December 2025 increased by 5% compared to the prior year to R14.0 billion (2024: R13.3 billion), primarily driven by increased containerboard and agricultural packaging sales volumes in the Paper business.

Revenue growth in the Paper business was offset by higher variable costs, driven by increases in external paper purchases and recovered paper prices, as well as higher energy costs. In the Plastics business, lower sales volumes were more than offset by higher average selling prices and a more favourable product mix, which led to an overall increase in the Group's gross profit of 3%.

Underlying EBITDA increased by 1.2% to R1.519 billion (2024: R1.501 billion) while underlying EBIT decreased by 1.0% to R914 million (2024: R923 million) due to an increase in depreciation of plant and equipment.

ROCE was 10.9% (2024: 11.7%), primarily due to the substantial recent capital investment in Mkhondo, which has not yet contributed to earnings.

Paper business

Revenue in the Paper business increased by 7.4% to R11.8 billion (2024: R11.0 billion) due to increases of 4.3% in sales volumes and 1.6% in average selling prices, and the acquisition of Seyfert. Sales volumes increased on the back of good growth in containerboard and fruit packaging. Gross profit was up approximately 2%, with the benefits of increased sales volumes offset by an increase in external containerboard purchases, higher recovered paper prices, and energy costs, which led to margins remaining under pressure.

Containerboard sales volumes increased by 8.8% following successful interventions at the end of 2024 to increase exports and displace imports in the local market, utilising the improved competitiveness of the Felixton mill. No commercial downtime was incurred at Felixton or Mkhondo during the period. Performance at the Mkhondo mill was impacted by construction related to the upgrade project, which is now complete.

Cartonboard sales volumes from the Springs mill declined by 2.3% due to subdued local demand and import competition. The mill took 32 days of commercial downtime in the period to manage inventory levels, compared to nine days in 2024. In addition, the mill incurred 21 days of downtime due to external utility supply interruptions (2024: 27 days). In light of these persistent structural challenges, Mpact recently announced the contemplated closure of Springs mill.

Paper Converting's revenue increased by 3.2% compared to the prior period, with good growth in the fruit sector, partially offset by lower industrial sales due to weak demand. Operating profit increased on the back of a better sales mix and improved efficiencies. The outlook for fruit exports remains positive and we expect to benefit from further efficiency improvements across the Paper Converting business in 2026. On 1 August 2025, Mpact increased its shareholding in Seyfert Corrugated Western Cape (Pty) Ltd from 49% to 74%. Seyfert manufactures and distributes corrugated packaging products, predominantly to the agricultural sector.

Plastics business

Revenue in the Plastics business decreased by 7.5% to R2.2 billion (2024: R2.34 billion), largely due to lower sales volumes at FMCG Wadeville, as anticipated, as well as lower beverage crate sales in Bins & Crates. However, this was more than offset by a favourable product mix and higher average selling prices, which resulted in a 7.8% improvement in gross profit.

Underlying operating profit doubled to R179 million (2024: R89 million) because of an increase in gross profit and a reduction in fixed costs. There was a concerted effort to reduce controllable costs in Bins & Crates and FMCG Wadeville given lower demand from the beverage sector.

Bins & Crates continued to achieve good volume growth in agricultural crates and jumbo bins, which was more than offset by lower beverage crate and wheelie bin sales, the latter due to weak municipal demand. Notwithstanding a decrease in revenue, profitability improved significantly, supported by an improved mix and efficiencies.

FMCG Wadeville's revenue declined by 21.8%, primarily reflecting the portfolio transition following the exit of two large contracts in June 2024. Performance was further impacted by a slower-than-anticipated roll out of new customer projects and a vinegar shortage in the first half of 2025, which disrupted customers' mayonnaise production. While the business achieved an improved result in 2025, performance remains well below expectations, and a much-improved outcome is anticipated in 2026.

The rest of the FMCG business increased sales volumes and operating profit, driven by customer projects and growing export activity by some customers into other African markets

Chief Executive Officer's Report *(continued)*

and the Middle East. This resulted in a 39.2% increase in underlying operating profit. The businesses continue to find new opportunities, and the outlook remains positive.

Innovation and customer impact

Innovation remains a core differentiator for Mpact, driving value for our customers and supporting our strategic shift from capital expansion to optimising our asset base. During 2025, Mpact's focus on innovation delivered tangible outcomes: we launched numerous new packaging solutions and earned industry-wide recognition. Eight of our designs won a total of three prestigious industry awards and two were finalists during the year at the 2025 IPSA Gold Pack Awards – underscoring our team's excellence in packaging design, functionality and sustainability. These innovations are not only celebrated by our peers; they solve real challenges for customers.

Our approach to innovation is deliberate and collaborative. Mpact's Innovation Centres integrate design thinking, material science and rapid prototyping to accelerate product development. Using these capabilities, we created over 200 new packaging designs in 2025, many of them in close collaboration with customers to meet specific needs. Sustainability is embedded in this process: new plastic and paper packaging solutions contain up to 100% recycled material, helping customers achieve their own sustainability targets without compromising performance. Through continuous R&D investment, customer co-innovation workshops and a culture that rewards creativity, Mpact is developing smarter, circular packaging solutions that strengthen customer loyalty and open opportunities in emerging markets. Innovation is how we stay ahead of evolving market needs and reinforce Mpact's leadership in the industries we serve.

People and safety

Mpact remains committed to fostering a safe, inclusive and high-performance culture. In 2025, the Group recorded further improvements in safety performance, with SIFR reducing to 0.38 and LTIFR to 0.26, supported by strengthened safety leadership, first-line fire defence training and proactive employee wellness initiatives. Tragically, the Group experienced one fatality during the year. I join the Board in extending our sincere condolences to the family, friends and colleagues of the deceased.

Investment in people remains a priority. During the year, Mpact invested 76,159 training hours and R28 million in skills development, with 210 learners and apprentices participating in structured programmes. Of these participants, 85% were from previously disadvantaged groups and 32% were Black women. Mpact Operations maintained its Level 1 B-BBEE status, with Black ownership of 35.4% and Black female ownership of 20.2%.

Our commitment to the communities in which we operate continued through R12.6 million in CSI spend, while the Mpact Foundation Trust has awarded 63 bursaries since inception.

Sustainability and circularity

Circularity is embedded in Mpact's integrated business model and underpins both environmental performance and long-term competitiveness. Through its recycling operations, the Group collected over 600 million kilograms of paper, plastic, glass and metal during 2025, diverting material from landfill and supplying recycled feedstock into its own manufacturing operations and the broader recycling ecosystem. Approximately 75% of recovered paper is used internally to produce new packaging, while closed-loop models in the Plastics FMCG and Bins & Crates businesses support reuse and recycling at end-of-life.

Alongside material circularity, Mpact continues to improve resource efficiency and resilience. Investments in energy efficiency and renewable energy progressed during the year, with installed solar capacity increasing to 17.7MW. Manufacturing operations delivered energy intensity of 5.9GJ/t and water intensity of 5.3kℓ/t, while Scope 1 and 2 emissions intensity was 0.81tCO_2e/t. These metrics reflect steady progress against medium-term environmental targets, notwithstanding variations driven by product mix and operational factors. Mpact remains focused on embedding sustainability into operational decision-making, supporting customers' circular economy goals and reducing the Group's environmental footprint over time.

Outlook

South Africa's economic environment remains constrained, with few signs of meaningful improvement in the short term. Consumers continue to face intense financial pressure, while widespread municipal infrastructure shortcomings are driving additional costs across our manufacturing operations. At the same time, the influx of imported products is placing strain on a number of domestic industries, including many of Mpact's customers.

Ongoing conflict in the Middle East is increasingly affecting global supply chains, with significant upward pressure already evident in polymer prices, as well as higher logistics and shipping costs and extended transit times. These developments place increased pressure on margins and supply continuity. Mpact is responding proactively through pricing discipline, active supplier engagement and supply-chain management initiatives, with a clear focus on protecting margins and ensuring continuity of supply to customers.

Combined, these factors are expected to contribute to another challenging operating period for the year ending December 2026. Despite these headwinds, Mpact's ongoing optimisation initiatives and recent capital projects are enhancing the Group's resilience and competitiveness. The Group continues to benefit from robust demand in the agricultural segment, particularly within our Paper Converting and Bins & Crates businesses. The Citrus Growers Association continues to forecast further growth in citrus exports over the medium term, following the record 2025 season.

The completion of the Mkhondo mill upgrade project marks a significant milestone in enhancing the Paper Manufacturing business's capabilities and product offering to support future growth. However, as the plant remains in its optimisation phase, the additional depreciation and interest charges arising from the recent capitalisation of the project are not expected to be fully offset by incremental revenue in 2026. The contemplated closure of the Springs mill, if implemented, is expected to be cash flow positive for the Group. The impact on operating profit is anticipated to be immaterial, excluding potential non-recurring closure costs and impairments.

We anticipate a stronger 2026 performance from the Plastics business relative to last year. Both FMCG Wadeville and Bins & Crates have completed their cost-base restructures, and the combination of these efficiency gains with increased sales volumes, is expected to support healthier margins across the division.

With the Group's major investment cycle now largely complete, Mpact's strategic focus has shifted decisively from capital expansion to realising the full potential of its modernised asset base. Key priorities for 2026 include optimising returns from recent investments, accelerating the commercialisation of SLS, driving efficiency improvements, and advancing targeted portfolio optimisation. The Group will continue to prioritise cash generation, working capital discipline and margin improvement, while maintaining strict capital allocation principles.

While the external environment remains uncertain, Mpact entered 2026 with a more focused, better-balanced portfolio and a strengthened operating platform. The Group is well positioned to navigate near-term challenges and deliver improved returns through disciplined execution, operational excellence and a clear commitment to long-term value creation.

Acknowledgements

My sincere thanks to our employees for their dedication and resilience; to our customers and suppliers for their partnership; to our shareholders for their ongoing support; and to our Board, led by Chairman Sbu Luthuli, for their guidance throughout the year.

Together, we continue to strengthen Mpact's competitiveness and sustainability, positioning the Group to deliver long-term value.

Bruce Strong
CEO

24 April 2026

The Paper business

Recycling

Our recycling partners

- Industrial and commercial suppliers
- Collectors
- Buy-back centres and dealers
- Schools, community centres and offices

Recycling sites

Collect
Sort
Bale

Pre-consumer recyclables

76% of recovered paper is used internally

24% of recovered paper is sold to external customers

Leftover trim and cuttings returned to Mpact Recycling

Paper Manufacturing

Activity

Produce different types of paper and board made from a combination of recycled paper and virgin fibres.

Output

Rolls and sheets, containerboard and cartonboard.

25% of products (tonnes) sold internally to Mpact's Paper Converting factories and subsidiaries

Paper Converting

Activity

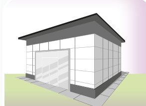
Convert board into different types of corrugated and other paper packaging products.

Output

Corrugated paper packaging products.

High-quality graphic printing services and other converted paper products primarily for the QSR sector.

75% of products (tonnes) sold externally to local and international customers



Customer use

Customer use

Consumer use

Recycle

Post-consumer recyclables

Recycling

14 recycling operations around South Africa

Mpact Recycling sources recovered recyclable materials including paper, cardboard, cans, glass and plastics through pre- and post-consumer programmes. Our primary goal is to provide Mpact's paper mills and operations with material to support their production goals at prices and quality to maintain their competitiveness.

Mpact Waste Management manages the waste generated on manufacturing, commercial and residential sites around South Africa. Our aim is to provide sustainable solutions to reduce waste and add value through waste reduction, reuse and recycling.

Paper Manufacturing

Three paper mills – Springs (Gauteng), Felixton (KZN) and Mkhondo (Mpumalanga)

Mpact's paper mills manufacture recovered fibre-based packaging and industrial paper grades such as containerboard and cartonboard. In addition, Mpact has a controlling share in West Coast Paper Traders, a retailer and wholesaler of paper and ancillary businesses that operates across four facilities in South Africa.

External customers include corrugated board producers, box producers and other containerboard converters. The top 10 external paper manufacturing customers represent around 72% of paper manufacturing external sales. Around 12% of products produced were exported, mainly to other African countries. Our goal is to optimise production facilities to meet market demand at competitive prices.

In February 2026, Mpact announced the contemplated discontinuation of operations at Springs mill. The mill is the only domestic producer of cartonboard and competes directly with imports from several countries.

Paper Converting

Nine converting plants in South Africa, one in Mozambique and two in Namibia

Mpact Paper Converting uses paper from Mpact's mills and external suppliers to manufacture a broad range of premium quality, innovative packaging solutions. Products range from simple corrugated boxes to sophisticated corrugated packaging custom-made to our customers' needs, and specifically designed for a particular sector such as the agricultural and beverage sectors as examples. The business also produces cups, lids, cartons, bags, trays and products for the retail sectors.

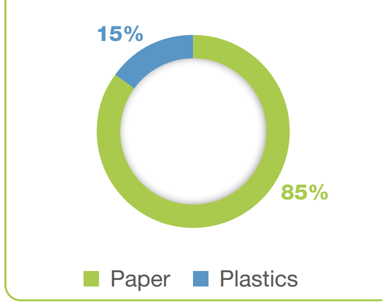
High-graphic print capabilities at our facilities ensure that any customised branding and designs incorporated into the products have visual appeal and support our customers' marketing initiatives. We further aim to provide packaging solutions that protect our customers' goods whilst being transported.

Customers include fresh produce farmers, businesses and manufacturers who primarily use our products to protect their goods during transport and for point-of-sale display. Around 45% of our converted paper product customers operate in the agriculture industry, with the remaining 55% operating in the FMCG and industrial sectors.

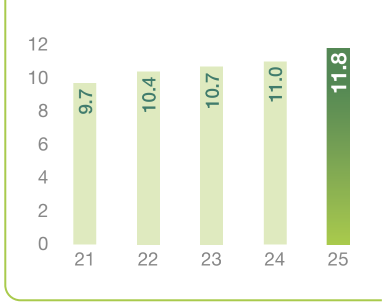
The Paper business *(continued)*

Operational performance

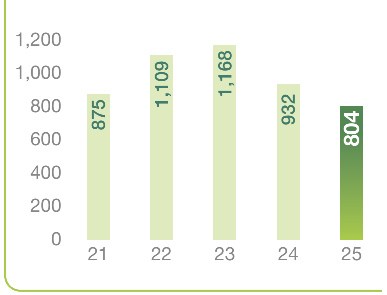
Group revenue contribution



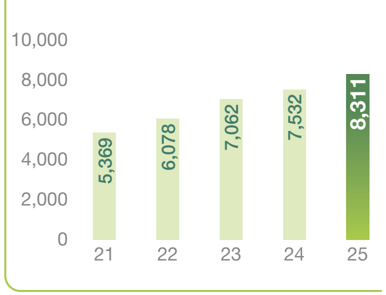
Segment revenue (R'bn)



Underlying operating profit (R'm)



Operating assets (R'm)



Revenue for the Paper business increased by 7.4% to R11.8 billion (2024: R11.0 billion), mostly due to a 4.3% increase in sales volumes, as well as a 1.6% increase in average selling prices. Volumes increased mostly due to improved containerboard sales. However, the benefit was offset by continued pressure on containerboard and cartonboard selling prices due to imports and higher recovered paper prices.

Underlying operating profit for the year declined to R804 million (2024: R932 million), due to lower margins and the under-recovery of higher fixed costs, which increased by 5.9% primarily due to the Mkhondo mill upgrade project and extensive commercial downtime in the comparable period.

Recycling

In 2025, Recycling successfully recovered 639 million kilograms of recyclables, up 8.6% from the 588 million kilograms recovered in 2024. Most of the increase in volume came from paper collections, although plastics collections were also higher, while glass collections declined by 8%.

Average baled OCC prices increased by approximately 10% year on year, rising sharply in the second quarter before easing again in the fourth quarter. The substantial demand for OCC in the export market drove pricing and availability of material in the South African market. However, as export prices moderated towards the end of the year, stock positions improved, enabling Recycling's branches to increase collections, although strong competition continued to keep margins low. Sales to Mpact's own mills were up 13% relative to the previous year.

The Waste Management business expanded its operations during the year, securing several additional key contracts to provide comprehensive waste management services to distribution centres and industrial operations. This contributed significantly to recyclable volumes and established the business as a recognised player, with expectations for continued growth in 2026.

This expansion secures the supply of recovered paper to Mpact's mills, and enables our partners, many of whom are also customers of our converting businesses, to achieve their sustainability goals and contribute to the circular economy.

During the year, the Recycling business implemented waste picker service fee payments aligned with regulatory requirements.

Engagement with PROs remained active throughout the year. A notable agreement with PETCO supported the collection and recycling of liquid board packaging at the Springs facility, contributing to a marked increase in recovered volumes. Mpact Recycling continues to collaborate closely with PROs and the PRO Alliance to support the effective implementation of Extended Producer Responsibility (EPR) regulations.

Paper Manufacturing

Paper Manufacturing delivered a mixed performance for the year with record production at the Felixton mill and project commissioning progress at the Mkhondo mill, but profits declined due to costs increasing more than selling prices.

Overall revenue increased by approximately 6%, driven mainly by higher containerboard sales volumes. Profitability, however, declined due to higher recovered paper prices, rising energy costs, increased operating costs associated with the Mkhondo project, and sustained pressure from lower-priced imports.

Containerboard volumes grew through export expansion and local market share gains, partially offsetting weaker cartonboard volumes caused by subdued local demand and ongoing import competition.

The Mkhondo mill underwent a challenging but constructive year with completion of the major aspects of the project. Although the project startup was delayed into late 2025, significant progress was made across both the pulp and SLS plants. The mill is stable, with consistent improvements in operating parameters and output quality as optimisation work advances. Management expects a meaningful improvement in volumes and profitability in the coming year as the pulp plant moves closer to design capacity and optimisation initiatives take effect.

The Felixton mill delivered a strong performance, achieving record production with minimal downtime and maintaining a full order book throughout the year. Its cost-competitive position and strong product quality supported continued growth in both the domestic and export containerboard markets, although pricing was under pressure due to global market conditions and cheap imports into South Africa.

The Springs mill experienced another year of sub-optimal production, with high utility downtime, due to municipal electricity and water interruptions. These disruptions constrained output, increased unit costs, and, together with weak domestic cartonboard demand and low-priced imports, resulted in periods of commercial downtime. A section 189A process was initiated at Springs mill in February 2026 and subject to the consideration of alternatives, most production is likely to discontinue in May 2026 once all open orders have been completed.

Capital expenditure in 2026 will focus on completing the environmental component of the Mkhondo project, being the relocation of the effluent dams.

Looking ahead, the outlook for Paper Manufacturing is more positive. The Felixton mill is expected to sustain its strong production performance and market position, while the Mkhondo mill is positioned for a stronger year, with improved operational stability, rising volumes, higher quality SLS output and enhanced profitability as optimisation continues.

Paper Converting

The Paper Converting business reported a marginal increase in sales volumes with revenue increasing by 3.2%.

In the agricultural sector, sales volumes increased by 5.7%. South African citrus growers achieved a record export season in 2025, packing 203.4 million 15kg-equivalent cartons, surpassing the Citrus Growers Association’s Vision260 target of 172.5 million cartons. This growth was achieved despite logistical challenges across most South African ports and the impact of the USA tariffs. Additionally, growth was recorded in the pear, grape, stone fruit and tomato categories. In contrast, banana volumes declined due to adverse weather in Mozambique, while the avocado crop was similarly affected by unfavourable climatic conditions.

Industrial sector volumes declined, driven mainly by subdued consumer demand and continued political instability in Mozambique. The demand for packaging materials for the dairy, meat, and poultry industries remained constrained, reflecting the lingering effects of the 2023 avian influenza outbreak and the ongoing foot-and-mouth disease impact on livestock. Demand for alcoholic beverages remained weak, although demand for non-alcoholic beverages showed marginal growth.

AGOA has been formally reauthorised by the USA and extended until 31 December 2026, with the renewal applied retroactively to its expiry in September 2025. However, the short duration of the extension and ongoing tariff disputes leave South Africa’s longer-term participation uncertain. Should AGOA be disbanded, it is expected to have significant repercussions for the automotive industry as well as agricultural exports to the USA, which will, in turn, adversely affect the division. Competition in the industrial sector remains fierce, with sustained pricing pressures placing considerable strain on margins for this business. Despite this, Mpact has managed to secure new clients.

Detpak delivered strong results, supported by the successful launch of new products and expansion into additional sectors. Improved operational efficiencies further enhanced performance, and the business is now making a meaningful contribution to overall profitability.

Freshpact, our range of fresh produce paper trays and punnets, achieved revenue growth of 18% due to the addition of new customers and product ranges. This performance is further supported by our investment in packaging systems that enhance transport efficiencies for paper products.

In the coming financial year, the floods in Limpopo are expected to impact banana crops in South Africa and Mozambique. Additionally, ongoing drought conditions in the Eastern Cape (Langkloof) and the Knysna region will likely result in a reduced citrus harvest, as well as smaller yields of other soft fruits. In the Eastern Cape, this will be compounded by recent hail damage, which also affected Ceres in the Western Cape.

The grape and wine industry is also set to face some pressure, impacted by local fires, with the latter also affected by the tariffs introduced by the US administration, particularly on bottled wine exported in cartons. Additionally, the outbreak of foot-and-mouth disease is expected to affect packaging sales into the beef sector.

However, this must be noted in the context of South Africa’s agricultural exports having reached a record US$15.1 billion in 2025, representing 10% year on year growth driven by

The Paper business *(continued)*

higher volumes and prices. Although US tariffs reduced shipments, some products received exemptions, and new market opportunities were advanced through agreements with China and South Korea. The agricultural sector is expected to maintain positive momentum into 2026, supported by favourable La Niña linked rainfall, improved soil moisture, and easing input cost pressures. However, the war in the Middle East will negatively impact input costs in the agricultural sector through the expected increase in diesel and fuel costs.

Steady growth in the QSR market continues to create good opportunities for Detpak, and if challenges at South Africa's ports can be addressed, this could negate the margin pressure on growers and exporters caused by the US tariffs. Furthermore, capital projects and product innovation are delivering the returns expected, and further investments in the industrial sector will strengthen our position.

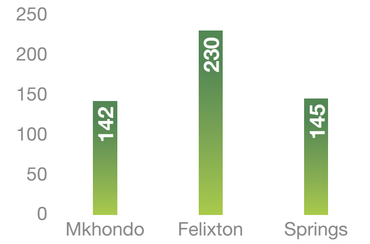
Although the Group has pursued various investment opportunities aligned with the expansion of the agriculture sector, we are concurrently strengthening our focus on the industrial sector to optimise the benefits of our integrated position, particularly through the utilisation of paper output from the Felixton mill.

Sustainability performance

The design of any new or upgraded plants incorporates water-use and energy-efficiency improvements. The paper mills, which account for 95% of all of Mpact's water usage, have a long legacy of driving water savings to the point where they need to carefully navigate the balance between saving water and compromising product quality. There was a decrease of 5% in total water consumption to 5.60kℓ/t per manufactured tonne (2024: 5.90kℓ/t).

Total energy usage from the Paper business manufacturing sites decreased by 2.5% to 5.96GJ/t of product (2024: 6.20GJ/t). Combined Scope 1 and Scope 2 CO_2e emissions decreased by 3.8% to 0.78CO_2e/t of product (2024: 0.81tCO_2e/t). The solar PV installation at the Springs mill contributes to the energy balance for the year.

Production capacity (ktpa)



Material risks and opportunities

Mpact's risks and opportunities are managed on a continuous basis, and the Group's key risks and opportunities are discussed on pages 22 to 24.

The most significant risks and opportunities that apply to the Paper business are shown in the table below:

Material risks	Management of these risks
Significant overcapacity in the global cartonboard market, and the current value of the rand, has led to a decline in demand for Springs paper mill's products.	• Rationalisation of operations such as the contemplated discontinuation of the BM6 and BM3 cartonboard machines at Springs paper mill.
Unreliable power and water supply due to infrastructure failures, theft, sabotage or even inclement weather patterns, resulting in lost working hours and supply shortages as well as the increasing costs associated with mitigating these outages and interruptions.	• Ongoing communication with Eskom and local municipalities. • Implement planned load shedding arrangements. • Discussions with water authorities. • Drive to decrease water consumption at all the manufacturing plants. • Interact with agricultural customers to understand the impact of extreme weather events on their crops and the recovery time. • Roll-out of solar panels at operations.
Supply of natural gas.	• Sasol has given notice that natural gas (NG) supplies will terminate in July 2028. NG is used by three operations. • We are engaging with business bodies and government entities to identify alternative supplies and technologies.
Economic and competitive influences on sectors and consumers outside of Mpact's control.	• Consistently delivering smarter, sustainable solutions to customers to meet their objectives and strategy. • Innovation in production processes and products to deliver exceptional value to customers.

Material risks	Management of these risks
Imported products as well as competitor expansion and customer backward-integrated strategies creating over-capacity in the local market.	• Proactive management and investment to drive production efficiencies and cost containment through rationalisation, streamlining and automation to maintain margins and retain cost competitiveness. • Provide superior product offerings. • Ongoing development of product innovations, quality and sustainability management, and exceptional customer relations.
Community unrest, criminal action at some recycling operations (gang activity) impacting employee morale and operations.	• Ongoing interaction and engagement with community leaders and forums. • Proactive CSI initiatives. • Create jobs and business opportunities where viable.
The business is subject to a broad range of ever-evolving legislation resulting in increased costs and complexity of compliance and risk of fines and penalties. Mpact operates several industrial sites across the country, some of which have been in operation for many decades, and landfill sites, effluent disposal facilities and storage dams. Evolving legislation may impose additional requirements, process modifications and related costs.	• A legal compliance framework is in place that sets out the governance structures that pertain to regulatory compliance matters at Mpact. • Mpact also retains experts in, and legal registers of, relevant disciplines supported by rigorous audits. • The Group contributes to the development of legislation by engaging with Government via industry bodies. • International management standards such as ISO14001 (environmental) and FSC® are implemented and, for material operations, certificated with the backing of rigorous external environmental legal audits to monitor compliance with the National Environmental Management Act. • EU Carbon Border Adjustment Mechanism (CBAM) regulations are monitored but do not currently affect Mpact directly. • Mpact is compliant with EPR regulation requirements. • The Group is investing capital to reduce its environmental footprint and ensure compliance.

Opportunities identified:

- Optimising and expanding operations with upgraded plant and equipment and the introduction of new innovative products.
- Continuing to educate consumers and municipalities regarding the creation of value through recycling and the concept of the circular economy.
- Aligning capital spend with growth industries in existing regions.
- Export opportunities into the rest of Africa and other regions.

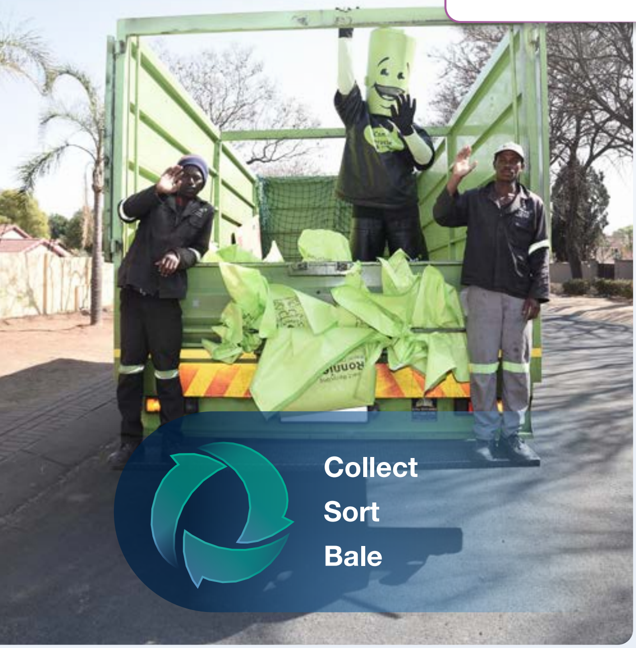
The Plastics business

Recycling

Our recycling partners

- Industrial and commercial suppliers
- Collectors
- Buy-back centres and dealers
- Schools, community centres and offices

Recycling sites



Pre-consumer recyclables

45 million kilograms

of plastic were collected by Mpact recyclers (2024: 39 million kilograms)

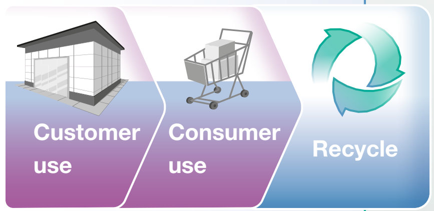
Plastics

Activity

Manufactures bins, crates and rigid plastic packaging in southern Africa.

Output

Bins and crates and a range of plastic packaging products for the food, beverage, personal care, homecare, pharmaceutical, agricultural and retail markets.



Post-consumer recyclables

The Plastics business manufactures a diversified range of plastic products for a variety of applications, with a core focus on pursuing organic growth through innovation. Key to this is the substitution of alternative packaging materials with rigid plastics.

Where possible, closed loop systems are applied with end-of-life products being repurposed into new products or sold off to recyclers for further value creation. Where practical and in line with customer specifications, recycled material is incorporated back into new products. Most municipal wheelie bins have a 50% recycled material content. The recycling programme is supported by a standalone recycling business near the Brits moulding factory.

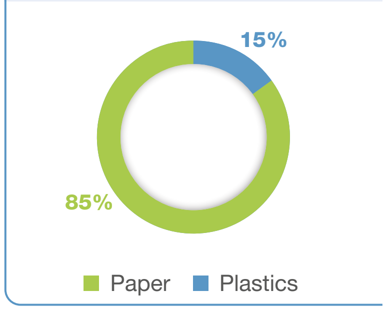
The Group continues its memberships of plastics industry bodies such as Plastics SA, Plastic Convertors Association, SA Plastics Pact, PETCO and POLYCO, in which it is an active participant.

	Bins & Crates	FMCG
Locations	• Brits (North West) • Castleview (Gauteng) • Atlantis (Western Cape) • Recycling Brits (North West)	• Atlantis (Western Cape) • Pinetown (KZN) • Wadeville (Gauteng)
Products manufactured	Manufactures large injection moulded plastic products including: • Jumbo bins for the agricultural market • Wheelie bins for waste collection • A range of industrial products, including plastic pallets and crates • Bottling crates • Exporting of the abovementioned products • Recycles end-of-life plastic pallets, Bins & Crates	Manufactures injection moulded, extrusion blow-moulded, injection stretch blow-moulded bottles, jars, containers, PET preforms and closures for the food, beverage, personal care, homecare and pharmaceutical industries.

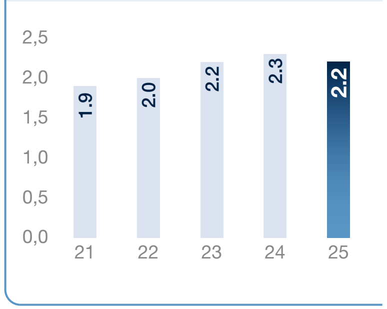
The Plastics business *(continued)*

Operational performance

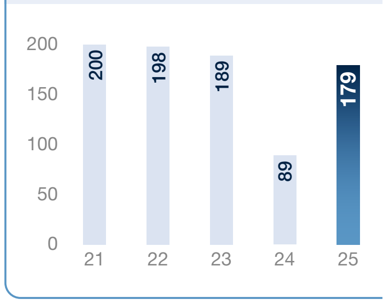
Group revenue contribution



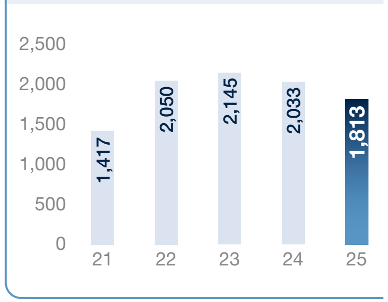
Segment revenue (R'bn)



Underlying operating profit (R'm)



Operating assets (R'm)



The comparative figures in this segmental report exclude Versapak which was sold in November 2024.

Revenue in the Plastics business decreased by 7.5% to R2.16 billion (2024: R2.33 billion) due to lower sales volumes in Bins & Crates and FMCG Wadeville. Lower beverage crate sales and the expiry of two supply contracts at FMCG Wadeville in June 2024 resulted in reduced volumes, but were partly offset by an improved product mix, which resulted in higher gross margins.

Underlying operating profit of R179 million (2024: R89 million) increased by more than 100% compared to the prior year, with increases in operating profit across all businesses.

Bins & Crates

The Bins & Crates business delivered a 25% increase in operating profit compared to the prior year, despite lower overall sales volumes. This was driven largely by disciplined pricing, cost control, and strong execution in the agriculture, export, and materials handling categories. These results position the division well for continued growth, particularly as international expansion accelerates and new industrial export opportunities mature.

The agriculture sector continued to experience significant growth throughout the year, particularly in lightweight crates for avocados and blueberries. Jumbo bin exports delivered a strong performance, with sales increasing notably compared to the prior year, as favourable growing conditions across Europe support higher demand.

Bins & Crates also successfully completed commercial trials of solid jumbo bins for industrial applications, most notably for the export of lemons. This success unlocks access to the wider European industrial bin market, which the business had previously only partially penetrated. Solid bin volumes are planned to expand significantly in the coming year. Further opportunities are being developed in Argentina and Brazil, where the absence of large-scale local bin manufacturing presents attractive long-term potential.

Materials handling also delivered a solid performance as demand strengthened, particularly in plastic pallets.

The industrial sector was down on the prior year, mainly due to poor demand from the bottling segment and wheelie bins. Performance in the bottling segment was materially below expectations, driven by reduced activity from two major customers. The environmental sector experienced similar challenges due to poor municipal demand.

Minority owned African Tanks, which manufactures water tanks, continued to perform in line with expectations, with potential opportunities for expansion being evaluated for the coming years.

FMCG

The FMCG business recorded a year on year revenue decline of 5%, reflecting portfolio transitions following the expiry of two large contracts in June 2024 and the strategic exit from hard toll manufacturing. Volumes decreased by 44% as a direct result of these changes. Notwithstanding, the business continued to strengthen customer partnerships and drive innovation across its portfolio mix, contributing to improved operational momentum during the year.

Of the three FMCG operations, Pinetown and Atlantis delivered acceptable growth, with revenue and volumes increasing by 9%, supported by improved utilisation, stronger customer demand and growing export activity by selected customers into other African markets and the Middle-East. Wadeville's performance reflected contract run off and product mix changes associated with its portfolio realignment, resulting in a 22% decline in revenue and a 60% reduction in volumes. While Wadeville's operating performance improved on the prior year it was still well below our ambitions.

The Pinetown and Atlantis operations delivered a satisfactory performance with good growth in both revenue and operating profit.

Innovation remained a key driver of resilience. The team successfully advanced several product development initiatives, including transitioning selected ranges from glass to PET and increasing the use of post-consumer recycled materials, enabling customers to unlock cost and sustainability benefits. In a particularly challenging market environment, the business continued to actively engage with customers to co-develop solutions, supporting revenue and profit growth in areas aligned with evolving customer needs.

During the year, supply side constraints in key ingredients, including vinegar and eggs, as well as elevated post-consumer recycled material costs, affected the timing of selected new product introductions. These constraints resulted in delays across several condiment-related launches, including certain projects that will be commercialised in 2026. Despite these timing impacts, the business maintains a healthy and diversified project pipeline aligned with customer growth and the Group's sustainability priorities.

With portfolio transitions substantially complete, growing export-linked demand and innovation momentum strengthening, the FMCG operations are positioned for improved operational and financial performances into 2026.

Sustainability performance

Overall combined scope 1 and 2 CO_2e emissions increased by 11% to 1.27 tonnes CO_2e per production tonne (2024: 1.14tCO_2e/t). Energy consumption per production tonne increased by 12% to 4.93GJ/t (2024: 4.40GJ/t). Water consumption per tonne of production was up by 17% to 1.16kℓ per tonne of product from 0.99kℓ per tonne in 2024. The reduced efficiency was largely due to lower production at FMCG Wadeville.

Material risks and opportunities

Group risks are discussed on pages 22 to 24, and the most significant risks that could specifically influence the Plastics business (which are managed continuously) are set out in the table below:

Material risks	Management of these risks
Volatility of raw material prices and lags in pricing recovery.	• Maintain strong and diverse supplier relationships. • Continuous market monitoring and proactive pricing. • Increase polymer recycling capacity.
New international and local plastic manufacturers entering the market.	• Provide innovative products to a rapidly changing market. • Develop and market an innovative generic product range. • Increased innovation and R&D support services to our customers. • A focus on exceptional customer service.
Contraction of the industrial market, exacerbated by competitors also being under pressure to run factories at full capacity, placed pressure on margins. Certain customers have reduced fixed-contract orders below the levels that were agreed.	• To remain competitive and profitable, we have increased the use of recycled materials to manufacture products. • Engagement with customers who have reduced orders, to negotiate compensation to cover the costs of our overheads that were not recovered on capital projects.
Technical skills drain.	• Increase learnerships and on the job training. • Facilitate access to available funding. • Increase participation in industry forums.
Ongoing conflict in the Middle East is affecting global supply chains and polymer prices.	• Proactive pricing discipline and margin protection. • Supplier engagement and supply chain management. • Ensuring continuity of supply to customers.

The Plastics business *(continued)*

Material risks	Management of these risks
Stricter EU regulations on plastic packaging.	• Light-weighting our products to reduce the potential increase in plastic packaging costs. • Pursuing accreditation under EU Regulation 2022/1616 for recycling plastic materials that are approved for food contact.
Power supply outages resulting in lost working hours and supply shortages; power fluctuations cause damage to electronic cards resulting in excessive downtime.	• Ongoing communication with Eskom and municipalities. • Install generation capacity to limit the impact of load shedding at some of the plants. • Continued investment in solar. • Maintain a sufficient reserve of spare parts. • Installation of more Uninterruptible Power Supply (UPS) modules to protect the IT systems. • Conduct thorough analysis of the incoming power supply to assess its quality.
Unreliable water supply, and deteriorating infrastructure, could lead to a loss of production.	• Discussions with customers and water authorities to understand the impact on agriculture and industry and how best to position ourselves to meet customer needs. • Increase emergency water storage.

Opportunities identified include:

- Product innovation through advanced design technologies.
- Expand Bins & Crates' production facilities.
- Offer recycling opportunities in the Bins & Crates business.
- Filling spare capacity on small machines.
- Growth of lightweight packaging crates.
- Expand market share with FMCG's new generic product range.
- Acquisition and other expansion opportunities.
- Additional exports to customers in other African countries.
- Exporting jumbo bins into Europe.