FOREVER FOCUSED ON
# THE CIRCULAR ECONOMY

mpact

smarter, sustainable solutions


2025

# INTEGRATED REPORT

for the year ended 31 December 2025

# Mpact – Closing the loop


Over the course of this financial year, Mpact Recycling's 14 facilities across South Africa have collected 639 million kilograms (2024: 588 million kilograms) of recyclable materials, including paper, glass, beverage cans, plastic, and liquid board packaging, from both pre- and post-consumer sources. By diverting this waste from landfill sites, our approach not only supports environmental sustainability but also creates income opportunities for waste collectors, who sell recyclables to Mpact's buy-back centres.

Paper fibre, which can be recycled up to seven times before degrading, plays a key role in this process. Each tonne of recovered paper saves approximately three cubic metres of landfill space. Around 75% of the cardboard and paper collected by Mpact Recycling is repurposed at Mpact's own paper mills to produce new paper and board products. The remainder is sold to external customers.

Mpact Plastics incorporates recycled polyethylene terephthalate (rPET) and other recycled materials based on customer requirements. The Bins & Crates business operates a buy-back and exchange model, encouraging customers to return products at the end of their lifecycle for recycling. Approximately 30% of the polymer used in this business is sourced from recovered items.

By selling recyclable plastics to external customers for further processing, Mpact Recycling actively supports the development of a circular economy, minimising waste, conserving resources, and extending the lifecycle of materials. This approach is not only environmentally responsible but also central to our strategic vision and ESG ethos, reinforcing our commitment to sustainable growth and social impact.

# Contents



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### Material matters

- Market dynamics and customer focus
- People and communities
- Operational excellence and resilience
- Environmental sustainability and climate action
- Financial health and value creation
- Ethical governance and compliance

### Strategic pillars

- Customer-focused
- Leading market positions
- Focus on performance

### Reference

- Refer to page
- Available on the company's website: www.mpact.co.za

## Mpact's 2025 reporting suite comprises:

- → Integrated Report
- → Sustainability Report (including an ESG Summary Report as an addendum)
- → Notice of Annual General Meeting
- → Annual Financial Statements

The reporting suite is available on our website:

www.mpact.co.za

Should you wish to receive a copy of any of these reports, please email us at:

**Nompumelelo Kunene**
*Group Communications Manager*
NKunene@mpact.co.za

# About this Report

**Each year, we are committed to delivering a comprehensive suite of reports that reflect our dedication to transparency, accountability, and long-term value creation. This Integrated Report is a cornerstone of that commitment, providing our stakeholders with clear, relevant, and material insights into the Group's performance and strategic direction. It is shaped by the issues we have identified as most critical to our sustainability and success, with materiality defined by their potential to impact the Group's ability to operate as a going concern. This Report gives a holistic view of our operating environment, business model, strategy, key activities, performance, and future outlook for the financial year ended 31 December 2025, thus empowering our stakeholders to make informed assessments of our progress and prospects.**

This Report is primarily intended to provide insight into how the company creates value over time for long-term investors and providers of capital in a transparent and integrated manner. It also contains critical information about non-financial performance, ensuring that all our stakeholders have a holistic and balanced understanding of the way we run our business. Material developments after the financial year-end are included up to the date of the Integrated Report's approval by the Board.

The Annual Financial Statements (AFS) include financial information for all subsidiaries, associates, and joint ventures, in line with IFRS Accounting Standards. Non-financial information is included for all entities that the Group directly controls.

Our operating and business model on @ pages 8 and 9 shows our main activities and the targeted approach we adopt in closing the loop on the circular economy, as well as explaining the link between the six capitals, our inputs, activities, and outcomes. We also discuss the trade-offs that we make to produce these outputs and outcomes to ensure readers have a balanced view. The Strategic Overview section, starting on @ page 19 outlines the approach we take to creating sustainable value for stakeholders.

Our primary stakeholder groups are identified on @ page 50 of the Integrated Report. The Stakeholder Engagement section of the Sustainability Report (@ pages 33 to 35) includes the interactions that we have had with our stakeholders during this financial year.

## Materiality and material matters

Our Integrated Report is guided by the principle of materiality, i.e., where a matter is considered material if it has the potential to significantly influence the Group's ability to create and preserve value over the short, medium, or long term. These material matters encompass both financial and non-financial dimensions and are rigorously assessed and approved by the Executive Committee and the Board to ensure strategic relevance and stakeholder alignment.

We identify our material matters by reviewing a range of internal and external sources, which include the risk assessment process, our engagements with primary stakeholders, operational issues, management interviews, and developments in legislation. This process is outlined on @ page 21. Matters raised through our stakeholder engagement process are assessed in terms of the stakeholder's legitimacy and urgency.

## Sustainability and ESG

Mpact remains firmly committed to upholding sound corporate governance in accordance with the principles of King IV™, and we actively embrace best practices across our operations. Our continued focus on environmental and social responsibility is detailed in the standalone Sustainability Report, which is available on our website at www.mpact.co.za.

For ease of reference, a high-level summary of this Report is included within the Integrated Report. In addition, we publish a comprehensive ESG Summary Report as an addendum to the Sustainability Report, giving further insight into our performance and progress in these critical areas. Our Sustainability Report is prepared in accordance with GRI 101: *Foundation*; GRI 102: *General Disclosures*; and GRI 103: *Management Approach.* We are working towards fully aligning our climate change reporting with the IFRS Sustainability Disclosure Standards, in particular, IFRS S2: *Climate-related Disclosures*.

## Guidelines and frameworks

To guide and inform our decisions in preparing this Report, we applied the principles and requirements contained within various regulations, codes, and standards, inter alia:

- IFRS Accounting Standards;
- the Companies Act;
- the JSE Listings Requirements;
- the King Code of Governance Principles for South Africa (King IV™);
- the JSE Sustainability and Climate Disclosure Guidance;
- the Global Reporting Initiative (GRI) Standards; and
- the United Nations Sustainable Development Goals (UN SDGs) as relevant and applicable to the Group.

Following the release of the new King Code, King V™, which is effective from 1 January 2026, the revised codes will be applied to our 2026 reports.

## Assurance

Our combined assurance map provides a structured overview of the assurance coverage across the Group, specifically focusing on the third line of defence within the combined assurance model. This framework ensures that key risks and disclosures are independently assessed and validated. Mpact's Annual Financial Statements and Summarised Consolidated Financial Statements have been externally assured by PwC Inc., our appointed auditor. Their Independent Auditor's Report on the Summarised Consolidated Financial Statements can be found on @ **page 118** of this Report.

While the Sustainability Report was not independently assured, certain information was reviewed by the Group's internal control functions and by external assurance providers where this was deemed relevant and necessary. The Report includes a reference to this information for ease of reference.

## Disclaimer

The Integrated Report contains certain forward-looking statements concerning the Group's environmental prospects, financial performance and conditions, strategy, outlook, and growth expectations. Such views involve both known and unknown risks, assumptions, uncertainties and important factors that could materially influence the actual performance of the Group. No assurance can therefore be given that these will prove to be correct, and no representation or warranty expressed or implied is given as to the accuracy or completeness of such views.

## Board approval

The Board confirms its responsibility for the integrity of this Integrated Report. The content has been collectively assessed by the Board and, in its opinion, and to the best of the Board's knowledge and belief, the Integrated Report addresses the issues that have the potential to materially impact the performance of the Group. The Board thus approved the 2025 Integrated Report and has accordingly authorised the release thereof.

**PCS Luthuli**
*Chairman*

**BW Strong**
*Chief Executive Officer*

24 April 2026

**Queries regarding this Integrated Report or its contents should be addressed to:**

**CorpStat Governance Services Proprietary Limited**
Group Company Secretary
Tel: +27 11 994 5551

**Investor Relations queries should be addressed to:**

**Marlize Keyter**
Investor Relations Consultant,
Keyter Rech Investor Solutions CC
mkeyter@kris.co.za
Tel: 083 701 2021

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# COMPANY OVERVIEW

# Key metrics

## Financial performance from continuing operations

| | | |
|---|---|---|
| Group revenue | R14.0 billion | (2024: R13.3 billion) |
| Underlying EBIT | R914 million | (2024: R923 million) |
| HEPS | 307 cents | (2024: 324 cents) |
| Total dividend per share | 60 cents | (2024: 105 cents) |
| Net debt | R2.5 billion | (2024: R2.4 billion) |
| ROCE | 10.9% | (2024: 11.7%) |

## Non-financial performance

**63** full university bursaries awarded through the Mpact Foundation Trust since inception in 2016

Solar PV installed to date
**17.7MWp**
(2024: 16.0MWp)

Recovered recyclables (paper, glass, beverage cans, plastic, and liquid board packaging)
**639 million kilograms**
(2024: 588 million kilograms)

Mpact Operations retained its
**Level 1 B-BBEE** rating

CSI spend
**R12.6 million**
(2024: R10.8 million)

Training and skills development
**76,159** man-hours
(2024: 56,115 man-hours)

Energy consumption for manufacturing operations
**5.90GJ/t**
(2024: 6.05GJ/t)

Serious Injury Frequency Rate (SIFR)
**0.38** per 200,000 man-hours worked
(2024: 0.50 per 200,000 man-hours worked)

Scope 1 and 2 GHG emissions for manufacturing operations
**0.812t$CO_2$e/t**
(2024: 0.838t$CO_2$e/t)

Water consumption for manufacturing operations
**5.32kℓ/t**
(2024: 5.49kℓ/t)

# Corporate profile

**Mpact is the largest paper and plastics packaging and recycling business in southern Africa, employing 4,856 people (2024: 4,557), and generating revenue of R14.0 billion in the 2025 financial year.**

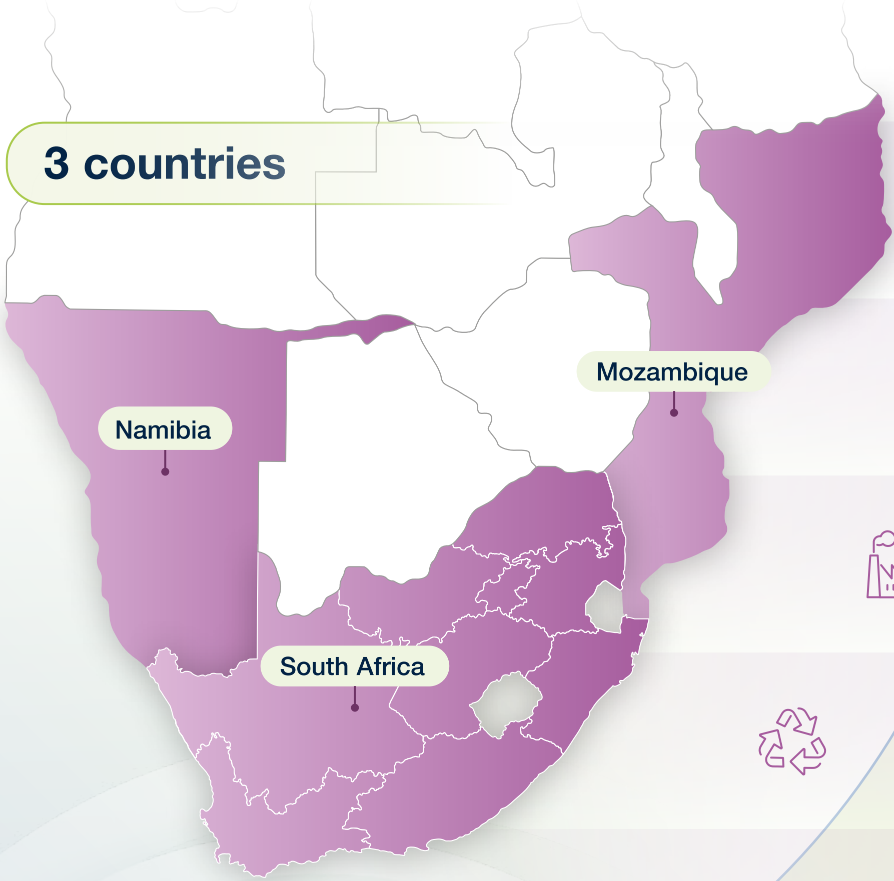
**Our integrated business model is intentionally designed to close the loop in paper and plastic packaging, promoting circularity through recycling and the beneficiation of recovered materials.**

Our extensive industry expertise, strong customer relationships, and focus on innovation empower us to deliver sustainable, fit-for-purpose packaging solutions alongside value-added services that anticipate and meet evolving customer needs.

Mpact is South Africa's largest collector of recyclable packaging, recovering 639 million kilograms of material, including paper, glass, beverage cans, plastics, and liquid board packaging, from both pre- and post-consumer streams this year. By closing the loop on paper and plastic, we not only divert significant volumes from landfill but also drive local beneficiation of raw materials and foster the growth of SMMEs.

## Our footprint

We operate across 39* strategically located sites, including 22 manufacturing facilities and 14 recycling operations. Our proximity to customers enables faster response times, optimises transport efficiency, and unlocks economies of scale. This strengthens our ability to deliver high-quality, sustainable packaging solutions with agility and cost-effectiveness.




**4,856** employees

**Level 1** B-BBEE

**39*** operating sites

**14** recycling

**22** manufacturing

* *Includes three sites which are not manufacturing sites.*

# Our vision and values

## VISION

**Our vision is to be a leading packaging business with the highest ethical standards, delivering exceptional value for customers, employees, communities and shareholders.**

### We are committed to:

- Acting as a responsible employer and corporate citizen and managing natural resources with care, sensitivity and expertise.
- Meeting and exceeding customers' requirements for product and service quality, innovation as well as cost competitiveness.
- Providing a safe and secure working environment in which employees can fulfil their ambitions and aspire to continually improve their circumstances.
- Achieving sustainable, profitable growth through a focus on business excellence and strategic expansion in chosen markets.

## VALUES

### Resolute

- Setting and achieving challenging targets
- Continuously identifying innovative ways to do things
- Accountable especially in the face of adversity

### Responsible

- Each employee taking care of their safety, health and personal development as well as that of their colleagues
- Striving to meet or exceed our customers' requirements (internal and external) for product quality, excellent service and cost competitiveness
- Treating our natural resources with care and sensitivity
- Doing what it takes to ethically deliver good sustainable returns to our shareholders

### Trustworthy

- Ethical
- Transparent
- Honouring commitments

### Driven by our purpose of:

- Providing our customers with innovative sustainable packaging
- Giving effect to the circular economy through our integrated business model
- Making a difference in the communities where we operate

# Our operating and business model

Our integrated operating and business model is uniquely focused on closing the loop in plastic and paper packaging through recycling and the beneficiation of recyclables.

## Inputs

### Financial capital

Funds available to the business, including in the form of retained earnings, debt, and cash generated from operations.

### Manufactured capital

Manufacturing facilities, offices, machinery, and equipment at 39 operating sites across South Africa, Mozambique, and Namibia.

### Human capital

- 4,856 employees.
- 76,159 man-hours invested in training.
- 210 learners and apprentices – of which 85% are PDIs and 32% are Black females (African, Coloured and Indian females).

### Intellectual capital

The experience and in-depth understanding of the packaging industry built up in our management team and employees. Our research and development centre and creative assets create innovative customer-focused product offerings.

### Social and relationship capital

Our strong relationships with our customers and other primary stakeholders, and commitment to community development.

### Natural capital

- Pulp, eucalyptus logs, pine chips.
- 5.90GJ/t of energy and 5.32kℓ/t of water consumed for manufacturing operations.

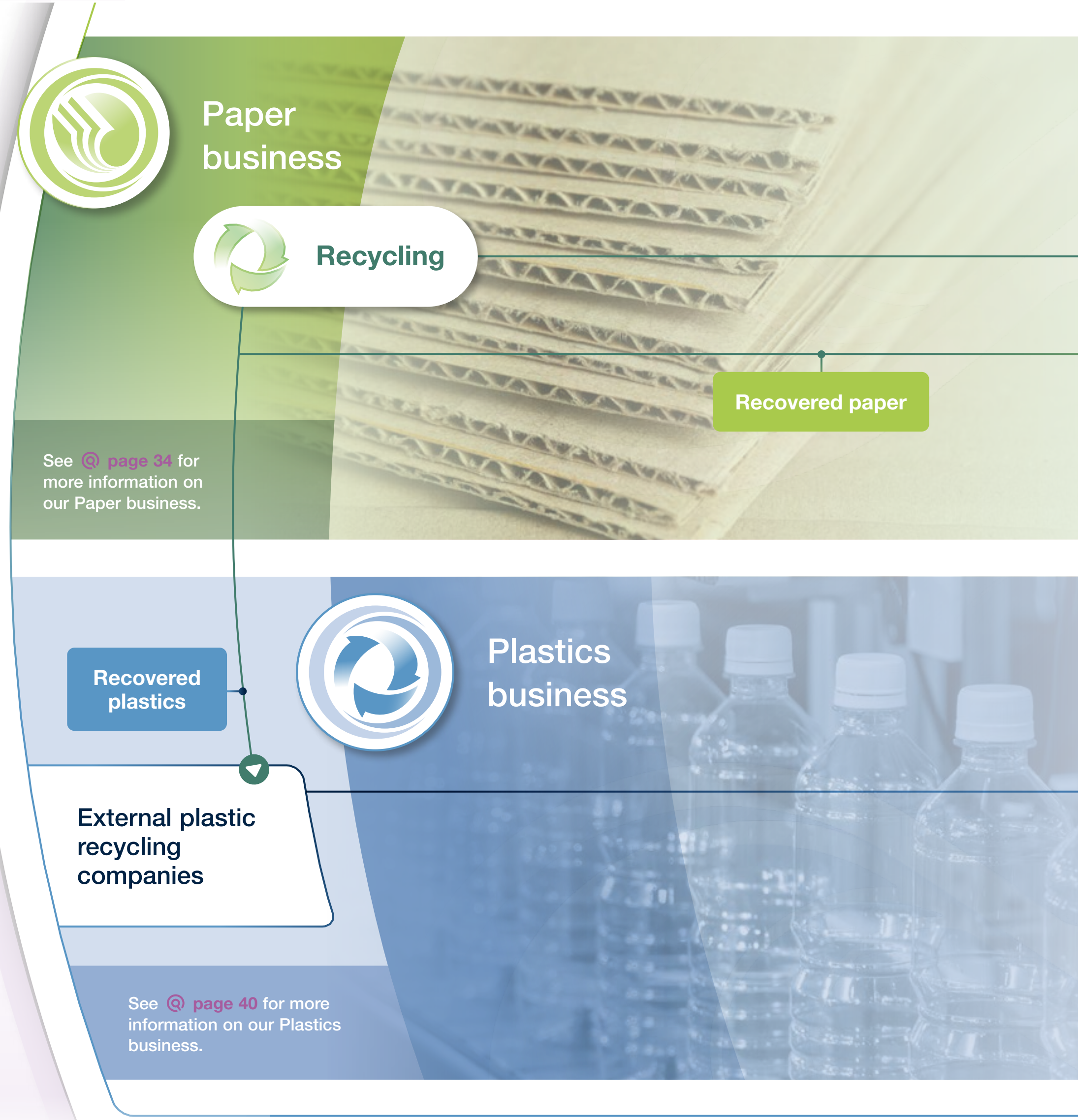
## Capital trade-offs during 2025

Mpact continues to invest financial capital to meet customers' requirements and extend innovative product offerings. These include capital investment projects to take advantage of the growth in packaging for fruit exports, the increase in convenience shopping and e-commerce, and the move towards more sustainable packaging. These projects include new facilities, new technology, plant, and equipment.

Service delivery interruptions, such as the unreliable supply and higher cost of electricity and water, requires Mpact to invest in infrastructure at its operations to mitigate these risks.

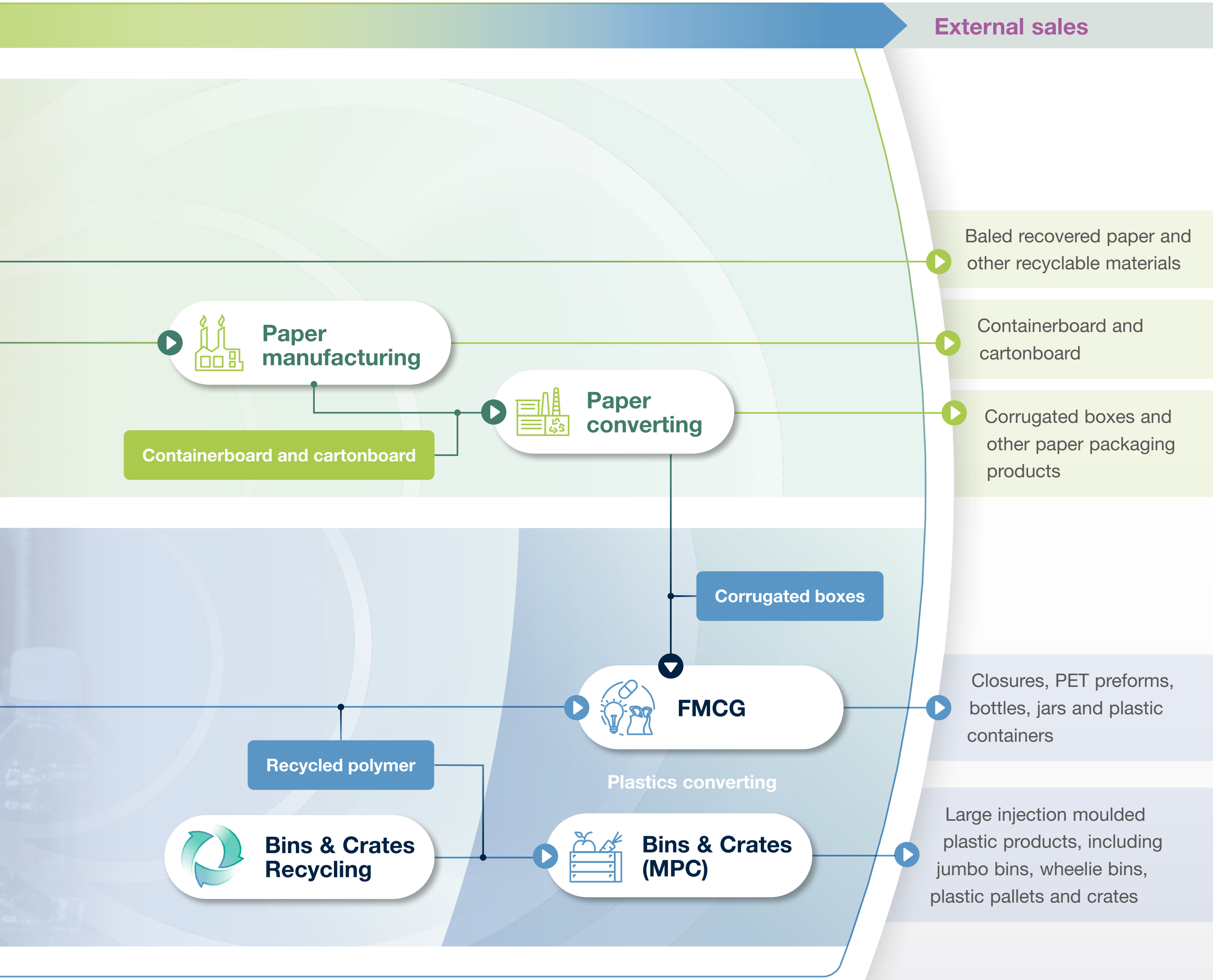
We continue to invest financial capital in safety culture interventions to improve safety performance and safeguard our human capital, alongside ongoing investment in training and development programmes. These initiatives include the Mpact Academy and our bespoke e-Learning platform, with additional courses introduced during the year and enhanced accessibility through a mobile app and onsite classrooms.

## Activities




See page 34 for more information on our Paper business.

See page 40 for more information on our Plastics business.




## Outcomes

### Financial capital

- Group revenue of R14.0 billion
- Underlying operating profit of R914 million
- ROCE of 10.9%
- Total dividend of 60 cents per share

### Manufactured capital

- Capital expenditure of R744 million invested to improve manufacturing plant and equipment
- R608 million depreciation as a proxy for the decrease in value of manufacturing plant and equipment and right-of-use assets

### Human capital

- R2.3 billion distributed to employees as remuneration
- R28 million invested in skills development
- SIFR of 0.38

### Intellectual capital

- Increased skills and expertise
- R19.7 million invested in research and development
- Five prestigious awards received during 2025

### Social and relationship capital

- R12.6 million invested in CSI programmes
- 63 bursaries provided to dependants of employees
- R77 million paid to the government as income taxes
- Level 1 B-BBEE (Mpact Operations)

### Natural capital

- 639 million kilograms of waste diverted from landfill for recycling
- 552 million kilograms of waste paper recovered for recycling

# Board of Directors

### Penuell Cornwell Sibusiso Luthuli (Sbu) (53)

C NC
RC

**Chairman**

*BCom (University of Zululand), Post Graduate Diploma in Accountancy (University of Durban Westville), CA(SA)*

Sbu joined Mpact as an Independent Non-executive Director in December 2018. He is the Chair of the Board, Chair of the Nomination Committee, and a member of the Remuneration Committee. He is the founder and Chief Executive Officer of Mpande Property Fund Manager Proprietary Limited, a fund that invests in the unlisted property sector. He is the former Chief Executive and Principal Officer of the Eskom Pension and Provident Fund and one of the founding members and former Deputy Chair of Batseta Council of Retirement Funds for South Africa, a pension fund industry body. He previously served as Chief Executive Officer of Ithala Bank (Ithala SOC Limited) and Chair of Cipla Medpro South Africa Proprietary Limited. He currently serves as a Non-executive Director of Telkom SA SOC Limited and is also a former Non-executive Director of BCX Limited.

### Maya Makanjee (Maya) (64)

C SEC
RC
NC
MFT

**Independent Non-executive Director**

*MBL (cum laude) (University of South Africa), BCom (University of KwaZulu-Natal), BA Fine Arts (University of Mumbai)*

Maya joined Mpact as an Independent Non-executive Director in September 2016 and is the Chair of the Social and Ethics Committee, a member of the Remuneration and Nomination Committee, and a Trustee on the Mpact Foundation Trust. Maya is the Chair of Datatec Limited and a Non-executive Director of Cell C Holdings Limited. She has gained extensive experience across Africa and in some parts of Asia and has held senior leadership/Executive Director roles at Telkom, Nestle, SABMiller, FinMark Trust and Vodacom.

### Donald Gert Wilson (Don) (69)

C RC
NC
ARC

**Independent Non-executive Director**

*Bachelor of Commerce and Certificate in the Theory of Accounting (CTA) from Rhodes University, CA(SA)*

Don joined Mpact as an Independent Non-executive Director in January 2022. He is the Chair of the Remuneration Committee, a member of the Audit and Risk Committee, and a member of the Nomination Committee. Don was previously Executive Director: Finance of Sappi Limited and Finance Director of Barloworld Limited. He currently serves as a Non-executive Director of Tiger Brands Limited.

### Alethea Berenice Anne Conrad (Lea) (61)

C MFT
RC
NC
SEC

**Independent Non-executive Director**

*BA (Rhodes University), LLB (Rhodes University), Management Advancement Programme (Graduate School of Business, Wits University), International Executive Development Programme (Graduate School of Business, University of Witwatersrand and London Business School)*

Lea was appointed to the Board as an Independent Non-executive Director in September 2022. She is a member of the Social and Ethics Committee and a member of the Remuneration and Nomination Committee. She is also the Chair of the Mpact Foundation Trust. Lea is the Managing Director of Conrad Advisory Proprietary Limited. She is the Lead Independent Director and Chair of the Social Ethics and Transformation Committee of Coronation Fund Managers Limited. She is also an Independent Non-executive Director of YeboYethu (RF) Limited, and is also the Independent Chair of the Afrimat BEE Trust. She was formerly the Chair of the Board of African Phoenix Investments Limited. Lea served as an Executive Director of the Oceana Group Limited from 2007 to 2016. During her 18-year tenure at the Oceana Group, Lea held executive management positions and also served as a director on the boards of various subsidiaries and as Chair of the Oceana Empowerment Trust.

### Fikile Constance Futwa (Fikile) (49)

ARC
SEC

**Independent Non-executive Director**

*BCom Accounting (University of KwaZulu-Natal), Post Graduate Diploma in Accounting (University of KwaZulu-Natal), CA(SA)*

Fikile joined Mpact as an Independent Non-executive Director in May 2024 and is a member of the Audit and Risk Committee and a member of the Social and Ethics Committee. Fikile is the founder of Your Financial Partner CC, a SAICA-registered accounting firm. She has experience in external audit, accounting, payroll, financial management, corporate finance, corporate governance, taxation, and B-BBEE regulations. Fikile started her accounting articles at Andersen Incorporated and completed them with KPMG Incorporated. Post articles, she worked in corporate finance for Eskom and Anglo American Corporation Limited and later joined Discovery Limited. She has previously served as a Non-executive Director on various other boards. She also serves on the Board of Fairvest Limited, where she is the chair of the Audit and Risk Committee and a member of the Social and Ethics Committee.

NC – Member of the Nomination Committee
RC – Member of the Remuneration Committee
ARC – Member of the Audit and Risk Committee
SEC – Member of the Social and Ethics Committee
MFT – Trustee of the Mpact Foundation Trust
C – Indicates Chairman

## Saleh Mayet (70)


**Independent Non-executive Director**

*BCom (University of Durban Westville), BCompt (Hons) (University of South Africa), CA(SA)*

Saleh joined Mpact as an Independent Non-executive Director in April 2025. He is the Chair of the Audit and Risk Committee. Saleh is a Chartered Accountant with well over three decades of experience in the Anglo American Group. Prior to his retirement at the end of March 2019, he was an Executive Director of Anglo American South Africa, and for the last 11 years of his career, Saleh held the position of Head of Finance. He was also an integral member of the executive team, providing key leadership, direction, and strategy to the South African corporate office and region. He has held several listed and unlisted Board positions and brings with him extensive experience across the full spectrum of corporate activities. He currently serves as an Independent Non-executive Director of Datatec Limited, Astral Foods Limited, and Motus Holdings Limited.

## Clifford David Raphiri (62)

**Independent Non-executive Director**

*BSc Eng (University of Cape Town), GDE (University of Witwatersrand), PrEng (ECSA), MBA (Brunel University)*

Clifford joined Mpact as an Independent Non-executive Director in September 2025. He is a Mechanical Engineer and a member of the Engineering Council of South Africa. He currently serves as the Chair of Energy Partners Holdings Proprietary Limited and as a Non-executive Director of Growthpoint Properties Limited, where he is a member of the Social, Ethics and Transformation Committee, the Property and Investments Committee, and Chair of the Risk Committee. He has previously served as a Director of several companies, including the boards of South African Breweries Proprietary Limited, Adcock Ingram Holdings Proprietary Limited, Nampak Limited, and Murray & Roberts Holdings Limited.

## Bruce William Strong (Bruce) (57) CEO


**Executive Director**

*BSc (Eng) (Summa cum laude) (University of KwaZulu-Natal), BCom (Hons) (University of South Africa), AMP (Harvard Business School)*

Bruce has been the CEO of Mpact since 2009. Prior to being appointed CEO, he held various management positions in Mondi, both in South Africa and Europe. Bruce has 30 years' experience in the paper and packaging industry. He currently serves as Chairman of Packaging SA and is a past Chairman of the Paper Manufacturing Association of SA and the South African Manufacturing Circle.

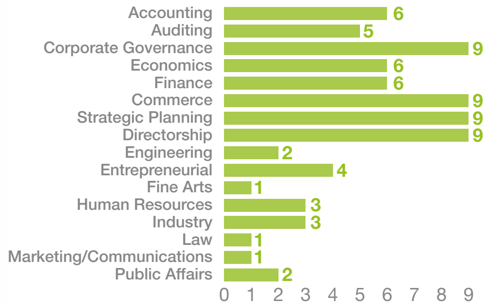
## Johannes Jacobus Snyman (Hannes) (44) CFO


**Executive Director**

*BAcc (Honours) (University of Stellenbosch), CA(SA), Executive MBA (Warwick Business School)*

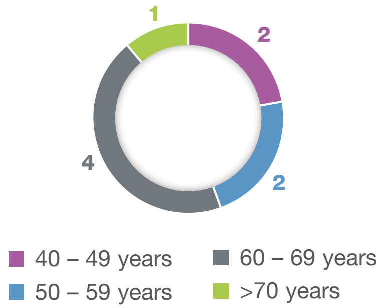
Hannes was appointed as CFO of Mpact in June 2024. He fulfilled the role of Group Corporate Finance Manager of Mpact from May 2014 to December 2021. Since January 2022, he has been the Divisional Commercial Manager for Mpact Recycling and an Executive Director of Recycling Consolidated Holdings (Proprietary) Limited, a Group subsidiary. Prior to joining Mpact, he worked at PwC in London, Johannesburg, and the Channel Islands, with his last role being a Senior Manager in the Deals Team.

### Skills

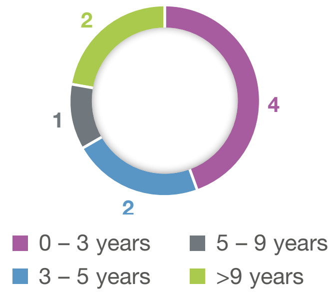



## Board demographics (as at 24 April 2026)

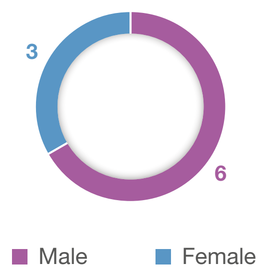
### Age




### Tenure




### Gender



# Management Team

**1 Bruce William Strong (57)**

ED EC MC

**2 Johannes Jacobus Snyman (44)**

ED EC MC

**3 Christoff Botha (52)**

EC MC

**4 John William Hunt (62)**

EC MC

**5 Hugh Michael Thompson (60)**

EC MC

**6 Ziyaad Carrim (45)**

MC

**7 Spurgeon Lange (62)**

MC

**8 Nompumelelo Kunene (41)**

MC

**9 Georgina Sarah Robinson (42)**

MC

Executive Directors ED

Executive Committee EC

Management Committee MC

| | | | |
|---|---|---|---|
| 1 | **Bruce William Strong (57)** | **CEO**<br>**Executive Director Committee** | As per previous page |
| 2 | **Johannes Jacobus Snyman (44)** | **CFO**<br>**Executive Director** | As per previous page |
| 3 | **Christoff Botha (52)** | **MD: Paper Converting**<br>**Executive Committee**<br>*BCom (Honours) University of the Free State, AMP (Harvard Business School)* | Christoff joined Mpact as the Managing Director of the Paper Converting Division on 1 May 2020. He held various leadership positions in the previous 12 years in Novus Holdings including Divisional MD, Group Executive and Executive Director in the Heatset Labels and Flexibles Division. He has over 19 years of experience in the print and packaging industry. |
| 4 | **John William Hunt (62)** | **MD: Recycling**<br>**Executive Committee**<br>*BSc (Eng), MSc (Eng) (University of KwaZulu-Natal)* | John has held the position of Managing Director of the Recycling Division since May 2011. His previous role was as the Business Manager for Technology Optimisation in the Group. He has served as an Executive Director of the Paper Manufacturers Association of South Africa and has over 30 years' experience in the paper industry. |
| 5 | **Hugh Michael Thompson (60)** | **MD: Paper Manufacturing**<br>**Executive Committee**<br>*BCompt (Hons) (University of South Africa), CTA (University of South Africa), CA(SA), AMP (Harvard Business School)* | Hugh has been the Managing Director of the Paper Manufacturing Division since October 2009. He fulfilled the role of CFO of Mpact until March 2007 and then the role of Managing Director of the Plastics Division until September 2009. He has more than 15 years' experience in the packaging sector. He was previously Senior Vice President (Corporate Finance) for Anglo American South Africa Limited. |
| 6 | **Ziyaad Carrim (45)** | **Chief Information Officer**<br>**Management Committee**<br>*AMP (Yale School of Management)* | Ziyaad has held the position of Chief Information Officer since August 2021 and has over 18 years' ICT experience within the Mpact Group. His previous role was as the Infrastructure Manager, and Head of ICT of the Group. |
| 7 | **Spurgeon Lange (62)** | **Group HR Manager**<br>**Management Committee**<br>*B Soc Sc (Hons) University of Cape Town, FNFM (University of Cape Town Graduate School of Business)* | Spurgeon has held the position of Group HR Manager since August 2021. His previous role was as the Divisional HR Manager for the Paper Converting Division. He has more than 20 years' experience in the print and packaging industry, and prior to that spent 10 years in the metals and engineering industry in various HR leadership roles. |
| 8 | **Nompumelelo Kunene (41)** | **Group Communications Manager**<br>**Management Committee**<br>*Bachelor of Technology degree in Journalism (Durban University of Technology), Programme for Management Development (Gordon Institute of Business Science)* | Nompumelelo joined Mpact as Group Communications Manager in January 2025. Prior to joining Mpact, she worked for Anglo American Plc as a Media Specialist looking after the company's reputation, stakeholder and media management for three years. She has also held a role as External Communication Manager at Transnet SOC Ltd for five years and practiced as a business journalist for various publications prior to that. |
| 9 | **Georgina Sarah Robinson (42)** | **Group Legal Counsel**<br>**Management Committee**<br>*BA LLB, LLM (Taxation), LLM (Commercial Law) (University of Cape Town)* | Gina has held the position of Group Legal Counsel since May 2015. She was previously employed by ENS Africa in its corporate commercial department. |

# Our focus on innovation

**Innovation is the cornerstone of Mpact's business model and a key driver of our long-term competitiveness. We continue to develop and maintain systems of sustainable competitive advantage based on innovation, research and technical support, to ensure that Mpact and its customers remain successful.**

## Innovation at the core of Mpact

A culture of innovation is embedded in the everyday actions of our teams, shaping the materials we introduce to the market, the systems and facilities we build, and the solutions we co-create with customers.

Mpact Recycling supports the circular economy by collecting and sorting recovered materials, while our Design Centres at Mpact Converting (Corrugated and Detpak), Mpact Plastics, and Mpact Plastic Containers (Bins & Crates) provide structural and graphic design capabilities that enable bespoke packaging solutions from concept through to prototype.

By aligning customer requirements with the latest technologies and materials, we develop new packaging solutions and entire product classes. These value-added offerings differentiate Mpact in the marketplace, deepen strategic customer partnerships, and enhance long-term loyalty through solutions that are not easily replicated.

Our Innovation Centres in Stellenbosch and Springs apply a structured, science-based methodology backed by more than a decade of expertise. This capability positions Mpact as a leader in food safety, recyclable and circular materials, life cycle assessments, and packaging performance. Together, these strengths enable Mpact to build "systems of advantage" across the value chain.

## Our model: Science-led and customer-centred

Mpact integrates innovation management, material science, and engineering to develop products and processes that meet evolving market needs. Our Innovation Centres operate in a matrix with business units, using advanced modelling, simulation, and rapid prototyping to shorten development cycles, enhance precision, and improve manufacturing performance.

## Design Centres and collaboration

Our Design Centres serve as creative and technical hubs. Designers and engineers work directly with customers to prototype new formats, test structural performance, and optimise manufacturability. These centres also ensure that designs are efficient, functional, and recyclable within South Africa's circular systems. Our national footprint provides resilience and continuity of supply during external disruptions.

## Food safety leadership

Mpact's deep food safety expertise ensures that recycled and recovered materials are integrated responsibly into packaging. Our teams rigorously assess food contact safety, research emerging risks in the recycling value chain, and collaborate with suppliers to phase out potential risks ahead of regulation. This proactive approach aligns safety, performance, and sustainability at every stage of the value chain.

## End-to-end packaging solutions

Across Mpact, we support customers with concept development, structural and graphic design, prototyping, and technical validation. Packaging decisions are guided by recyclability assessments, life cycle studies, carton performance testing, and food safety requirements.

Our teams balance performance and environmental outcomes, including trade-offs such as preventing food waste when changing packaging formats.

## Design for sustainability and the circular economy

Mpact's innovation approach is deeply aligned with circular economy principles. We design packaging that:

- Maximises recycled content where appropriate
- Performs effectively within South Africa's recycling and recovery systems
- Reduces material usage without compromising performance
- Avoids unintended consequences, such as shorter shelf life or increased food waste
- Supports closed-loop systems, particularly through Mpact Recycling's role in collection and sorting

We recognise that both paper and plastics include difficult-to-recycle grades. Mpact's Design and Innovation Centres therefore evaluate materials holistically, ensuring the chosen solution has the lowest environmental footprint across its life cycle. Circularity is considered from the start, from raw materials and product function to end-of-life recovery and repurposing.

## The future of innovation at Mpact

We will continue scaling innovation platforms that combine R&D expertise, food safety leadership, and design excellence. Our future pipeline includes lightweighting, expanding recycled content applications, enhancing product protection, and advancing lignin-derived product development.

At Mpact innovation remains focused on solutions that are economically viable, technically robust, and fully compatible with local recycling ecosystems and evolving regulatory environments.

## Innovation performance highlights

**200+** new packaging designs developed annually across business units.

**Up to 100%** recycled content in plastics and paper-based products.

Continuous quality testing and automated inspection at major production sites.

Collaboration with **100+** major customers through Mpact Design Centres.

Average **15%** material reduction in new designs, improving cost efficiency and performance.

## Case in point: The Mkhondo mill upgrade

The Mkhondo paper mill upgrade illustrates Mpact's ability to combine scientific rigour, engineering excellence, and circular economy practices. The upgrade includes the Pulp Mill Upgrade (PMU) and sodium lignosulfonate (SLS) plant. The PMU increases production of Bayplex semi-chemical fluting grades to meet increasing demand for fresh produce packaging in South Africa's growing fruit export sector. The SLS plant converts black liquor, a by-product previously constrained by combustion capacity, into a high-value powdered product used in concrete additives, dust suppression, and animal feed.

Mpact's research into black liquor began in 2013, evolving from reclamation for combustion to new product development in partnership with Dalisu Holdings. As growth forecasts increased, computational fluid dynamics modelling helped optimise digester operations and informed the technical foundations for both the PMU and SLS. Market testing began in 2022, with pilot work in Denmark and Germany shaping plant design.

Mpact's Innovation team led the SLS plant design, quality control development, and specification setting, and continues to support optimisation and commercialisation. This project demonstrates how innovation, responsible resource use, and scientific excellence come together to deliver sustainable, commercially viable solutions.

# Our focus on innovation *(continued)*

## Industry-recognised excellence

**Mpact was once again recognised for the innovation and design excellence of our products at the annual Institute of Packaging South Africa (IPSA) Gold Pack Awards, winning three awards, including a special award made by PETCO, and securing two finalist positions.**

We also sponsored the Student Gold Pack Trophy for Packaging Technology, reinforcing our position as an industry leader in sustainable and innovative packaging solutions, and demonstrating our commitment to advancing technical excellence and education in the sector. This aligns with our core principles of innovation and sustainability.

The trophy was awarded to Cara-Lee Whitaker of the Institute of Packaging KwaZulu-Natal for the “Ecoffee slice”, a practical, zero-waste alternative to coffee sachets and pods. Each unit features a dissolvable arabica coffee square in a fully compostable dual-chamber pod. The multi-pack includes a collapsible paper cup with a seed-paper sleeve, enhancing sustainability and convenience.

## PETCO award and bronze medal – Non-alcoholic beverage


### Lipton Ice Tea preforms & bottles 500mℓ & 1.5ℓ

**Mpact Plastics Wadeville**

These bottles, manufactured on behalf of PepsiCo South Africa, are now made from 100% post-consumer rPET, saving 550 tonnes of virgin plastic, 710 tonnes of $CO_2$ and 287,000 litres of water each year. With over 23 million bottles produced from rPET, this initiative supports circularity, strengthens local recycling infrastructure, benefits waste pickers, and demonstrates large-scale, profitable sustainability in action. Our innovation further demonstrates a strong commitment to carbon reduction and industry leadership, with a measurable, large-scale environmental impact.

## Bronze medal – Non-perishable food


### Tamper evident, top class HDPE, flip-top closure

**Mpact Plastics Pinetown**

This single-piece, dual tamper-evident cap, which we produce for Imana Foods, is engineered for freshness, functionality, and sustainability. Refillable, recyclable, and 10% lighter, it saves over 15 tonnes of virgin polymer annually, while its mono-material PP design reduces warehouse space and boosts logistics efficiency.

## Alcoholic beverage finalist

### JC Le Roux Nectar carton

**Mpact Corrugated**

Produced for Heineken Beverages, this six-bottle sparkling wine pack uses an FSC® Certified (FSC®-C133590) kraft carton. The four-colour print with opaque white ink creates vibrant visuals, while two exclusive designs complement the shrink-sleeved bottles.

## Health, beauty, medical and pharmaceutical packaging finalist


### Vaseline Blueseal PJ 250mℓ PET jar

**Mpact Plastics**

The iconic jar produced for Unilever South Africa is now made from PET, combining premium shelf presence with support for the circular economy through South Africa's established PET recycling value chain.

## Packaging-related medal winner

### Detpak renewable food wax wrap

**Detpak South Africa**

Made from natural, renewable resources, including sunflower and canola waxes, this compostable product contains no GMOs or animal products, providing a responsible end-of-life solution in line with our circular economy principles.

02

# STRATEGIC OVERVIEW

# Strategy and objectives

**Our value-enhancing strategy is designed to both optimise its business portfolio and drive organic and inorganic growth, supporting our ambition to become a truly circular economy business that makes a positive impact in our communities.**

Investing in innovative, higher-margin, and sustainable products remains a key driver of long-term value creation, delivering tangible benefits for the business and enhancing shareholder returns. We have strategically focused on sectors with strong growth prospects that are relatively insulated from fluctuations in South African consumer spending. These include fruit exports, convenience retail, recycling, and waste management.

Our executive team is responsible for shaping, updating, and executing the Group's strategy, which is regularly reviewed to reflect emerging industry trends, regulatory changes, new opportunities, risks, and other developments critical to sustaining long-term value. The Board approves the strategy and oversees its implementation.

Where practical, we continue to expand multi-site manufacturing within our converting operations to strengthen customer focus, mitigate service delivery risks, and enhance operational resilience. While this approach involves some trade-offs in economies of scale, ensuring timely delivery to customers remains a priority. In addition, we are advancing solar and backup power solutions and implementing water security and management plans across key operations.

Further details on our strategy and its execution are provided throughout this Integrated Report, particularly in the Chairman's Review (@ page 27), the Chief Executive Officer's Report (@ pages 30 and 31), and the Operational Review (@ pages 34 to 44).

## Strategic pillars

| Customer focused | Leading market position | Focus on performance |
|---|---|---|
| Decentralised structure | Scale | Financial returns |
| Innovation and capability | Capability | Skilled and motivated people |
| Intimate understanding of the value chain | Products and geographies | Sustainable practices |

# Strategy and objectives *(continued)*

**The key principles underlying each strategic pillar are as follows:**

## Customer focused

### Decentralised structure

- Customer-centric
- Responsive
- Accountable
- Flexible
- Effectively execute differing strategies or even hybrids across business units

### Innovation and capability

- Applied to products and processes internally and externally
- Use of own R&D capabilities where feasible
- Investing to meet new and emerging demands of customers with good returns

### Intimate understanding of the value chain

- Engage customers and other stakeholders to improve supply chain efficiency and anticipate changing requirements
- Engaging with product specification bodies, marketing and branding teams and key distribution networks
- Make partnerships work

## Leading market position

### Scale

- Maintain leading market position in chosen geographies with scale to enable competitiveness at a decentralised level
- May consider entry below leading market position but always considering sectors where there is potential to lead in future

### Capability

- Invest in sectors where Mpact has sustainable competitive advantages or at least has the prospect of developing them

### Products and geographies

- Rigid plastics and paper-based packaging in sub-Saharan Africa

## Focus on performance

### Financial returns

- ROCE and profitable growth
- Disciplined capital allocation and spending
- Reinvestment and capital allocation based on track record
- Stringent and continuous cost management
- Long-term view of investments
- Effective risk management and governance
- Cash generation

### Skilled and motivated people

- Invest in support of high-performing managers with a track record
- Reward performance and results and appreciate effort
- Commit resources to proactive training and development of our people
- Resilient health and safety culture

### Sustainable practices

- Responsible environmental management
- Contributing to social upliftment in the areas in which we operate
- Rigorously pursue the highest ethical standards in governance

# Material matters

## Introduction

Our Integrated Report is prepared based on materiality, where a matter is deemed to be material if it can substantively affect the Group's ability to create and sustain value over the short, medium or long term. Our material matters are both financial and non-financial in nature and are agreed upon and reviewed by the Executive Committee and approved by the Board.

We identify our material matters by reviewing a range of internal and external sources, which includes the risk assessment process, our engagements with primary stakeholders, operational issues, management interviews and developments in legislation. Matters that are raised through our stakeholder engagement process are assessed in terms of the stakeholder's legitimacy and urgency.

Material matters and material risks are distinct but related concepts; material matters are significant issues, topics, or events affecting a company's strategy, performance, or future prospects, while material risks are potential setbacks or uncertainties that could arise from these matters or other aspects of the business and negatively impact a company's ability to create value. The key difference is that material matters can be neutral or even opportunities, whereas risks are inherently negative possibilities.

## Process

Material matters are defined as those matters that have the highest potential impact on our ability to create value for our stakeholders in the short, medium and long term.

**Material matters are identified from a range of sources (or inputs), including the following:**

- Discussions with leadership and operations
- Board and sub-committee reports
- Executive Committee reports and presentations to the Board
- Group and divisional strategy sessions, documents and presentations
- Group risk register
- Stakeholder concerns raised in formal and informal engagements
- Developments in relevant legislation and regulations

These proposed material matters are reviewed by the Executive Committee against the risks and opportunities identified as part of the risk assessment process, which includes a review of economic, environmental and social impacts, risks and opportunities.

The proposed material matters identified and reviewed by the Executive Committee are reviewed and approved by the Board.

## Determination of material matters

Based on the abovementioned process, we have grouped the material matters identified into six themes:

- Market dynamics and customer focus
- Operational excellence and resilience
- Financial health and value creation
- People and communities
- Environmental sustainability and climate action
- Ethical governance and compliance

# Material matters *(continued)*

| Material matter | Key stakeholders (who are impacted or involved) | Related principal risks (associated top 10 risks from risk heat map) | Mpact's related activities and initiatives | Strategic pillars | Key capitals (affected or leveraged) |
|---|---|---|---|---|---|
| **Market dynamics and customer focus**<br><br>*Adapting to changing market conditions and customer needs through innovation, agility, and responsiveness.*<br><br>*Global and local market dynamics affect the price and demand for recycled fibre and paper, as well as the availability and cost of polymers. These dynamics are closely linked to customer behaviour, including shifts in demand and selling prices.* | **Customers** (expect quality, innovative, cost-effective packaging)<br><br>**Suppliers** (supply chain partners)<br><br>**Investors** (concerned with market growth and returns)<br><br>**Industry bodies** (market trends) | • **Trading environment** (economic and competitive market shifts)<br>• **Public resistance to plastics** (changing consumer sentiment/regulation on packaging)<br>• **Reputational damage** (if customer expectations on quality or innovation are not met) | • Monitoring global and local **market trends** and **consumer preferences**<br>• Innovating **new packaging solutions** through its R&D centre in Stellenbosch and quarterly Strategic Innovation meetings chaired by the CEO<br>• **Continuous R&D** investment and customer co-innovation workshops to ensure Mpact meets evolving customer needs<br>• **Long-term agreements** and **relationships** with key customers and suppliers supported by active customer service<br>• Focus on leveraging our **integrated position** in paper to provide customers with packaging solutions which meet their objectives<br>• Target **growth sectors** which are partly shielded from South African consumer spending patterns, such as packaging for fruit exports, convenience shopping, recycling and waste management.<br>• **Product assurance** for quality and food safety against international standards, supported by the R&D centre | • Customer focused (innovation and capability)<br>• Leading market positions (scale, products and geographies)<br>• Focus on performance (financial returns) | • **Financial** (revenue growth, profitability)<br>• **Manufactured** (production capacity to meet demand)<br>• **Intellectual** (innovation, R&D capabilities)<br>• **Social and Relationship** (customer relationships, brand loyalty) |
| **Operational excellence and resilience**<br><br>*Ensuring efficient, reliable operations and supply chains to maintain business continuity and productivity.* | **Employees** (plant workforce, operations teams)<br><br>**Customers** (reliable product supply)<br><br>**Suppliers** (continuous procurement)<br><br>**Government/Regulators** (infrastructure, utilities) | • **Service delivery interruptions** (power, water, or logistics outages impacting production)<br>• **System failures** (critical equipment or IT system breakdowns)<br>• **Safety in the workplace** (operational accidents causing stoppages)<br>• **Climate change risks** (extreme weather affecting facilities or supply) | • Efficiency programmes to improve **productivity** and reduce downtime (continuous improvement, maintenance schedules)<br>• **Capital projects** to upgrade facilities and investments in technology for efficiency gains<br>• Contingency planning for **energy and water supply interruptions** (load curtailment agreements, on-site solar projects and wheeling agreements, generator capacity, water storage), and multi-site manufacturing.<br>• Strong **health and safety management** to prevent operational disruptions<br>• **Supplier diversification** and inventory management to cushion supply chain shocks<br>• **Benchmark operations** internally, as well as externally<br>• Implement **international management standards** (ISO14001, FSC®) | • Focus on performance (financial returns, skilled and motivated people)<br>• Leading market positions (products and geographies, scale, capability)<br>• Customer focused (intimate understanding of value chain, decentralised structure) | • **Manufactured** (plants, machinery, infrastructure reliability)<br>• **Natural** (energy and water resources for operations)<br>• **Human** (skilled workforce, safety culture)<br>• **Intellectual** (operational know-how, systems) |

## Material matters *(continued)*

| Material matter | Key stakeholders (who are impacted or involved) | Related principal risks (associated top 10 risks from risk heat map) | Mpact's related activities and initiatives | Strategic pillars | Key capitals (affected or leveraged) |
|---|---|---|---|---|---|
| **Financial health and value creation**<br><br>*Maintaining financial strength and delivering sustainable returns through disciplined capital management.* | **Investors** (ROCE, dividends)<br><br>**Executive Management** (strategic financial targets)<br><br>**Banks/Creditors** (credit risk)<br><br>**Employees** (job security, incentives) | • **Trading environment** (market conditions affecting revenue and costs)<br>• **Workforce cost and stability** (rising labour costs)<br>• **Service delivery interruptions** (infrastructure failures leading to financial losses and capital project delays)<br>• **Reputational damage** (loss of investor confidence due to poor governance or financial performance) | • **Disciplined capital allocation** and ROCE focus (in accordance with delegation of authority and minimum hurdle rates)<br>• Key **capital projects** are tracked by Exco, and feedback is provided to the Board on a regular basis<br>• **Cost management** and efficiency to protect margins (stringent cost control measures)<br>• **Cash flow optimisation** (working capital management, cash generation initiatives)<br>• Regular **financial performance reporting** and investor engagement to build market confidence<br>• Central **Treasury function** which operates under a Board approved Treasury policy<br>• **Compliance with debt covenants** is monitored and reported to the Board at regular intervals<br>• Facility **headroom and liquidity** are managed on a daily basis | • Focus on performance (financial returns, sustainable practices)<br>• Customer focused (innovation and capability<br>• Leading market position (scale) | • **Financial** (capital, cash flow, cost of capital)<br>• **Manufactured** (asset utilisation for returns)<br>• **Intellectual** (financial strategy, risk management know-how)<br>• **Human** (financial management teams) |
| **People and communities**<br><br>*Supporting employee well-being, skills development, and community upliftment through inclusive practices.* | **Employees and unions** (workforce well-being, job satisfaction)<br><br>**Local communities** (socio-economic development)<br><br>**Government** (labour regulations, B-BBEE targets)<br><br>**Customers** (indirectly, via company reputation as a responsible employer) | • **Workforce cost and stability** (wage pressures, labour unrest or strikes)<br>• **Social polarity leading to unrest** (broader socio-economic unrest impacting operations)<br>• **Safety in the workplace** (employee injuries or fatalities)<br>• **Reputational damage** (if company seen as failing its people or community obligations) | • Promoting a **safe and healthy workplace** ("Zero Harm" initiatives, strict OHS standards, CEO's Safety Philosophy and SHE Policy, quarterly SHE Management Committee meetings chaired by CEO, emergency response standards)<br>• **Skills development and training** (Mpact eLearning Academy, Mpact Foundation Trust bursary scheme, internships, apprenticeships ~76,000 training hours in 2025)<br>• **Diversity and transformation** programmes (maintaining B-BBEE Level 1 status, internal promotion of historically disadvantaged individuals)<br>• **Employee engagement** (CEO Imbizo roadshows for direct dialogue, recognition awards, incentive schemes to retain key talent, employee wellness programme)<br>• **Community investment** through Mpact Foundation Trust bursaries (63 bursaries to date for employees' dependants) and CSI projects (R12.6 million in 2025 on community initiatives )<br>• **Insurance** to cover damages and business interruption losses due to social unrest (SASRIA, riot wrap insurance) | • Focus on performance (skilled and motivated people, sustainable practices, financial returns)<br>• Leading market positions (capability)<br>• Customer focused (decentralised structure) | • **Human** (employee skills, safety, morale)<br>• **Social and Relationship** (community trust, corporate social responsibility)<br>• **Financial** (investment in training, wages)<br>• **Intellectual** (organisational culture, knowledge) |

# Material matters *(continued)*

| Material matter | Key stakeholders (who are impacted or involved) | Related principal risks (associated top 10 risks from risk heat map) | Mpact's related activities and initiatives | Strategic pillars | Key capitals (affected or leveraged) |
|---|---|---|---|---|---|
| **Environmental sustainability and climate action**<br><br>*Managing environmental impact and climate risks through circular economy practices and regulatory compliance.* | **Government/Regulators** (environmental laws, climate policies)<br><br>**Communities and society** (environmental impact on local areas, public sentiment)<br><br>**Customers** (demand for sustainable products, EPR compliance)<br><br>**Investors** (ESG-focused shareholders)<br><br>**Banks/financiers** (sustainability linked loans) | • **Climate change risks** (physical impacts like droughts, and transition risks like carbon costs)<br>• **Public resistance to the use of plastics** (shifting consumer and regulatory pressure on single-use plastics)<br>• **Compliance with increasing legislation** (tightening environmental laws, e.g. carbon tax, EPR mandates)<br>• **Service delivery interruptions** (water scarcity or energy issues linked to environmental factors)<br>• **Reputational damage** (if company seen as failing to adhere to sustainable practices) | • **Carbon reduction and climate resilience** efforts (installed 17.7MWp of solar PV capacity; climate risk reporting aligned with TCFD/IFRS S2)<br>• Waste reduction and circular economy initiatives (Mpact Recycling collected 639 million kilograms of recyclables in 2025 to supply mills and external market, reducing landfill use)<br>• **Water conservation** and efficiency projects (managing water usage per tonne in manufacturing and contingency for water shortages)<br>• **Compliance with environmental regulations** (active in industry bodies on EPR regulations, Carbon Tax, waste management; robust environmental management systems and audits)<br>• **Sustainable product innovation** (developing recyclable and recycled-content packaging to meet customer sustainability goals and reduce plastic waste)<br>• Environmental targets are embedded into **management's performance agreements** to ensure commitment in achieving environmental goals | • Focus on performance (sustainable practices) | • **Natural** (air, water, raw materials, climate)<br>• **Manufactured** (eco-efficient technology, renewable energy assets)<br>• **Social and Relationship** (licence to operate, public trust)<br>• **Intellectual** (environmental management systems, innovation in recycling) |
| **Ethical governance and compliance**<br><br>*Upholding ethical conduct, legal compliance, and transparent governance to protect reputation and trust.* | **Investors** (transparent governance, ethical conduct)<br><br>**Board and management** (accountability for compliance)<br><br>**Regulators** (legal compliance, governance codes)<br><br>**Employees** (ethical culture, whistleblowing)<br><br>**Customers and communities** (trust in Mpact's integrity)<br><br>**Banks/financiers** | • **Compliance with increasing legislation** (risk of non-compliance with evolving laws or governance codes)<br>• **Reputational damage** (from governance failures, scandals, or ethical lapses)<br>• **System failures** (including cybersecurity or data breaches affecting governance and reporting)<br>• **Social polarity/unrest** (if governance lapses lead to stakeholder activism or backlash) | • **Strong corporate governance framework** (King IV™ aligned practices; Board oversight, Audit and Risk and Social and Ethics Committees functioning effectively)<br>• **Legal compliance framework** (monitoring and training for compliance with new laws and regulations, e.g. anti-corruption, competition law, labour and environmental regulations)<br>• **Ethics and integrity initiatives** (Code of Conduct enforcement)<br>• **Tip-offs Anonymous** line for reporting unethical behaviour, conflicts of interest declarations<br>• **Data and IT** security measures (safeguarding information systems to prevent breaches or disruptions, POPIA)<br>• **Stakeholder transparency** (integrated reporting and ESG disclosure to maintain accountability and address stakeholder concerns) | • Focus on performance (sustainable practices) | • **Social and Relationship** (corporate reputation, stakeholder trust)<br>• **Human** (ethical culture and values in workforce)<br>• **Intellectual** (governance frameworks, policies, internal controls)<br>• **Financial** (preventing financial loss from fines or fraud) |

# Five-year performance history

| Continuing operations | | 2025 | 2024 | 2023 | 2022 | 2021 |
|---|---|---|---|---|---|---|
| **Profit performance** | | | | | | |
| Revenue | R'm | **13,955** | 13,291 | 12,823 | 12,373 | 11,549 |
| Underlying operating profit | R'm | **914** | 923 | 1,210 | 1,164 | 948 |
| Underlying profit before tax | R'm | **683** | 645 | 944 | 1,026 | 816 |
| Underlying earnings | R'm | **454** | 480 | 680 | 663 | 529 |
| **Financial position**[1] | | | | | | |
| Total assets | R'm | **12,500** | 12,005 | 11,635 | 10,260 | 8,722 |
| Total equity | R'm | **6,270** | 5,866 | 5,468 | 4,868 | 4,240 |
| Total liabilities | R'm | **6,230** | 6,139 | 6,167 | 5,391 | 4,482 |
| Total operating assets | R'm | **11,100** | 10,569 | 10,170 | 9,064 | 7,529 |
| **Cash flow information**[2] | | | | | | |
| Net cash from operations before working capital | R'm | **1,531** | 1,545 | 1,880 | 1,771 | 1,431 |
| Working capital inflows/(outflows) | R'm | **(304)** | 323 | 108 | (754) | (462) |
| Capital expenditure | R'm | **(744)** | (1,003) | (1,536) | (1,006) | (687) |
| **Ratios and statistics** | | | | | | |
| Underlying operating profit margin | % | **6.5** | 6.9 | 9.4 | 9.4 | 8.2 |
| Basic EPS | cents | **329.3** | 327.1 | 399.9 | 455.7 | 351.5 |
| Underlying EPS | cents | **308.5** | 325.8 | 463.4 | 455.7 | 359.6 |
| Basic HEPS | cents | **306.6** | 323.6 | 461.7 | 430.1 | 343.2 |
| Total dividend per share | cents | **60** | 105 | 120 | 115 | 50.0 |
| Net asset value per share | cents | **3,776** | 3,576 | 3,363 | 3,024 | 2,638 |
| ROCE | % | **10.9** | 11.7 | 16.6 | 18.5 | 17.8 |
| Current ratio | times | **2.4** | 2.3 | 2.4 | 2.5 | 2.1 |
| Interest cover (underlying EBIT) | times | **3.8** | 3.1 | 4.3 | 6.3 | 6.8 |
| Gearing[3] | % | **28.7** | 28.8 | 32.9 | 32.5 | 29.4 |
| **Stock exchange statistics** | | | | | | |
| Market value per share | | | | | | |
| – at year-end | cents | **2,250** | 2,954 | 2,978 | 2,919 | 3,503 |
| – highest (year to 31 December) | cents | **3,024** | 3,150 | 3,500 | 3,690 | 3,750 |
| – lowest (year to 31 December) | cents | **1,990** | 2,498 | 2,460 | 2,635 | 1,310 |
| Closing PE ratio | times | **7.3** | 6.6 | 6.7 | 6.8 | 10.2 |
| Market capitalisation – close | R'm | **3,363** | 4,415 | 4,451 | 4,325 | 5,191 |
| Volume traded (year to 31 December) | '000 | **15,154** | 10,120 | 12,438 | 12,728 | 52,549 |
| Weighted number of shares | '000 | **147,393** | 147,365 | 147,583 | 145,416 | 147,264 |
| Issued shares at 31 December | '000 | **149,454** | 149,454 | 149,454 | 148,175 | 148,175 |

1. *Includes assets held-for-sale.*
2. *Total operations including discontinued operations.*
3. *Net Debt divided by Capital Employed.*

# Chairman's Review

**"Despite a difficult operating landscape, Mpact delivered solid revenue growth and improved its net asset value, underscoring the resilience of our business model and the commitment of our people. Our EBITDA performance remained robust in the face of challenging market conditions, reflecting disciplined operational execution and our continued focus on long-term value creation for all stakeholders."**

**Sbu Luthuli**
*Chairman*

## Introduction

It is both a pleasure and a privilege to deliver my first review as the Chair of Mpact, as we continue to build a more competitive, and future-focused Group.

In this review, I reflect on a year that has tested the strength of our strategy. I say this as the Group navigated another demanding 12 months, marked by persistent geopolitical and macroeconomic headwinds, as well as mixed market dynamics. Despite these challenges, we continued to execute our strategy with discipline, progress key capital projects, and strengthen our competitiveness across our chosen growth segments.

## Operational performance

The Group delivered a resilient performance for the year ended 31 December 2025, achieving a 5% increase in revenue to R14 billion despite operating in a challenging economic environment marked by volatility, infrastructure constraints, cheap paper imports, and pressure on domestic manufacturing.

Operating profit remained flat, in line with last year, while underlying EBITDA showed modest growth, reflecting the Group's continued financial discipline. The Paper business delivered good revenue growth, supported by higher sales volumes and the contribution of the Seyfert acquisition, despite margin compression and import competition. The Plastics business stabilised, driven mainly by significant operational improvements across the business.

## The operating environment

Following a cautious recovery in 2025, South Africa enters 2026 with improved growth prospects. Independent economic assessments project GDP growth of between 1.5% and 2.0% in 2026, while the National Treasury forecasts an average growth rate of 1.8% over 2025 to 2027, assuming continued progress on structural reforms.

Encouragingly, both the International Monetary Fund (IMF) and the World Bank revised their economic outlook for South Africa upward, with the IMF estimating South Africa's real gross domestic product growth for 2025 at 1.3% and raising its 2026 growth forecast to 1.4% from 1.2%. The World Bank issued similar revisions, noting that improved power supply and agriculture had improved the forecast, but that trade risks cloud the outlook.

While inflation and interest rates have eased locally and internationally, in South Africa, logistic bottlenecks, policy uncertainty, and weak investment continue to constrain the recovery. At a household level, the cost-of-living burden remains high, dampening disposable income and demand in several categories.

The local manufacturing sector also remained under pressure into early 2026, with December 2025 data showing a 1.4% year-on-year decline and total 2025 output contracting by 1.3%, signalling a continued slump heading into the new year. The latest releases indicate that this downturn persisted into the beginning part of 2026, underscoring ongoing weakness.

Key challenges remain entrenched, including energy shortages, high production costs, soft domestic demand, and pressure from US tariffs, which continue to undermine competitiveness and weigh on sector performance.

Agriculture remained a notable bright spot, with record citrus exports in 2025. This sector remains central to Mpact's growth strategy, with several strategic projects aligned to agricultural customer needs.

Climate and resource risks intensified during the year. Businesses, particularly those reliant on water and energy security, continued to face disruptions from infrastructure weaknesses, prompting increased investment in resilience and local resource security measures.

## Our industry context

Demand patterns across paper and plastics packaging continued to evolve rapidly. Regulatory pressure against single-use plastics and growing consumer preference for recyclable, fibre-based solutions strengthened the medium-term outlook for paper and paperboard formats. However, global cyclical weakness in paper markets resulted in selling price declines that outpaced input cost reductions, placing pressure on margins.

Recent US tariffs and growing economic nationalism also added pressure to global markets, contributing to sustained pricing volatility across the packaging value chain. Locally, we faced challenges with imports, particularly of cartonboard and containerboard, as cheap imports flooded the South African market. There was also substantial demand for Old Corrugated Containers (OCC) in the export market, putting pricing pressure on the Recycling business.

Across the plastics categories, customer demand remained mixed. Innovation and lightweighting trends supported growth in selected product ranges, particularly in agriculture and export markets, while certain industrial and municipal sectors experienced prolonged weakness.

E-commerce and food service (QSR) channels continued to underpin steady demand for corrugated boxes, folding cartons, and flexible packaging formats. Industry shifts toward bio-based materials and advanced recycling solutions continued to shape long-term competitiveness.

Operationally, the Group benefited from the strength of our diversified portfolio.

## Strategic investments

Mpact's disciplined capital allocation continued to prioritise competitiveness, innovation, and sustainability.

### The Mkhondo mill

The commissioning of the Mkhondo mill SLS plant and pulp mill upgrade represents one of the Group's most significant achievements in recent years. The project positions the mill as a predominantly virgin fibre operation, widens our product offering, and enhances cost competitiveness. It will also add USD-linked revenue through SLS powder exports. Recognising its strategic importance, the Board conducted an on-site visit in August 2025 to view progress first-hand. This engagement reinforced the Board's confidence in the project's execution, operational readiness, and the long-term value Mkhondo will contribute to both domestic and export markets.

### Renewable energy

Our solar PV capacity reached approximately 17.7MWp, supporting Mpact's decarbonisation objectives, improving energy resilience, and contributing to long-term cost efficiency.

These investments support our strategy to serve growth sectors, expand our sustainable product offering, and reinforce our leadership in the circular economy.

## Succession planning and people

South Africa continues to face a systemic skills shortage as experienced professionals emigrate. We remain committed to building internal leadership capability, strengthening succession depth, and maintaining high standards of governance through targeted Board and executive appointments aligned to our values.

Across the Group, our culture emphasises safety, continuous development, and inclusion. Mpact Operations retained its Level 1 B-BBEE status, reinforcing our commitment to meaningful transformation.

## Material matters and risk management

Our materiality process, covering stakeholder engagements, risk assessments, and regulatory developments, continues to highlight:

- Macroeconomic volatility.
- Infrastructure reliability, particularly logistics, energy, and water security.
- Commodity and recovered fibre price cycles.
- Climate and environmental risks, including resource scarcity.

Key mitigations during the year included continued progress in the renewable energy programme, process optimisation, expanded recycling volumes, and ongoing investment in water security measures at critical sites.

## Innovation and the circular economy

Innovation remains central to our strategy. The Group continued to advance recyclable and lightweight packaging solutions, integrate recycled content across product lines, and drive closed-loop partnerships through Mpact Recycling and our Plastics and Paper operations. These capabilities reinforce Mpact's role as a leading contributor to South Africa's circular economy.

## Sustainability and ESG

With load curtailment pressures easing and renewable energy generation expanding, we advanced our energy efficiency, emissions reduction, and cost mitigation objectives. The solar PV programme reduced purchased electricity and diesel dependence, while operational efficiency projects supported progress against our medium-term targets.

Our ESG priorities remain focused on safety, water stewardship, emissions reduction, waste and recycling performance aligned to Extended Producer Responsibility (EPR) obligations, and continued transformation. Strong governance remains a defining feature of our approach, with oversight embedded across all Board committees.

## Governance improvements

A significant governance milestone was achieved in 2025 when shareholders approved the remuneration of the Non-executive Directors at the AGM held on 5 June 2025. This marked the conclusion of an unusual period that began after shareholders voted against Non-executive Director fees, starting at the AGM on 2 June 2022. As a provisional measure, the Non-executive Directors of Mpact Limited were subsequently appointed to the Board of Mpact Operations, the Group's main operating subsidiary, thereby enabling them to be remunerated while continuing to fulfil their governance responsibilities and safeguard the interests of the company and its shareholders.

With shareholder approval finally secured, the Non-executive Directors are once again going to be remunerated by Mpact Limited. The change has normalised the Group's governance framework, improved transparency, strengthened alignment of oversight responsibilities, and enhanced overall organisational efficiency.

# Chairman's Review *(continued)*

## Board changes

Several important changes occurred at the Board level during 2025. We were pleased to welcome both Saleh Mayet and Clifford Raphiri as new Independent Non-executive Directors, each contributing valuable insights and strengthening the Board's depth and diversity. We also made several changes to the Board sub-committees to bolster governance.

Anthony (Tony) Phillips retired as the Chairman of the Board on 29 May 2025, having also served as a member of the Remuneration Committee and the Chairman of the Nomination Committee. Tony had been in these positions since Mpact listed in 2011, and the Board thanks him for his invaluable contribution during this time. We wish him well in his retirement.

In December 2025, Mpact announced the resignation of the Group Company Secretary, effective 31 January 2026. CorpStat Governance Services Proprietary Limited was appointed as the Acting Group Company Secretary with effect from 1 February 2026. A permanent appointment will be communicated in due course.

The Board would like to thank Ms Donna Maree Dickson for her contribution and wishes her well in her future endeavours.

## Post year-end events

### Springs mill closure

In contrast to the momentum at Mkhondo, developments at the Springs mill reflect deep structural challenges in parts of the global and local paper industry. Over several years, Springs experienced a steady decline in competitiveness driven by global overcapacity, weaker pricing, and increasing volumes of lower-priced imported product in the domestic market.

Despite extensive internal efforts, including cost reduction initiatives, operational optimisation, and attempts to secure alternative demand, the situation worsened when the mill's largest customer announced it would transition entirely to imported product from January 2026. This development, combined with an unfavourable rand and sustained pricing pressure from imports, rendered the mill unsustainable.

Following thorough consideration, the Board initiated a section 189A process in early 2026. This was a deeply challenging but necessary decision to protect the Group's long-term financial stability and ensure responsible capital allocation.

Further details are provided in the CEO's Report.

## Dividends

Consistent with our commitment to long-term value creation and prudent capital management, the Board has resolved to declare a final dividend of 30 cents per share, bringing the total dividend for the year to 60 cents per share. Mpact's focus continues to be on strengthening its balance sheet by reducing its gearing ratio and the dividend also takes into account the financial impact of the Springs mill closure.

In line with these priorities, Mpact will continue to allocate capital towards debt reduction, optimising working capital, and investing its cash resources in projects expected to generate sustainable, long-term value for shareholders.

## Board appreciation

I would like to thank my fellow Board members for their commitment and support in navigating through various opportunities and challenges during the year. On behalf of the Board, I extend my sincere appreciation to Bruce Strong and the executive team for their leadership in a complex environment; to our employees for their dedication; to our customers for their partnership; and to our shareholders for their steadfast support. Together, we continue to build a more competitive, innovative, and sustainable Mpact.

## Outlook

The escalation of conflict in the Middle East has created significant knock-on effects for South Africa's manufacturing and export-reliant sectors, including paper and packaging. Global supply chain disruptions, particularly through chokepoints such as the Strait of Hormuz, have intensified volatility in energy and logistics costs, resulting in higher imported input prices for local producers. These global market shocks are acutely felt in South Africa, where long-distance trade routes and port congestion already place structural strain on supply chains. Rising freight and insurance premiums, together with longer lead times for imported pulp, chemicals, and machinery components, have amplified operational risks and cost pressures across our value chain. While pricing cycles in global paper markets and domestic demand headwinds may persist in the near term, we expect the benefits of strategic projects, renewable energy savings, higher recovered paper volumes, and portfolio optimisation to support performance into 2026. We remain confident that disciplined execution and innovation will enable Mpact to deliver sustainable value for all stakeholders.

**Sbu Luthuli**
*Chairman*

24 April 2026



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 0.81t$CO_2$e/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

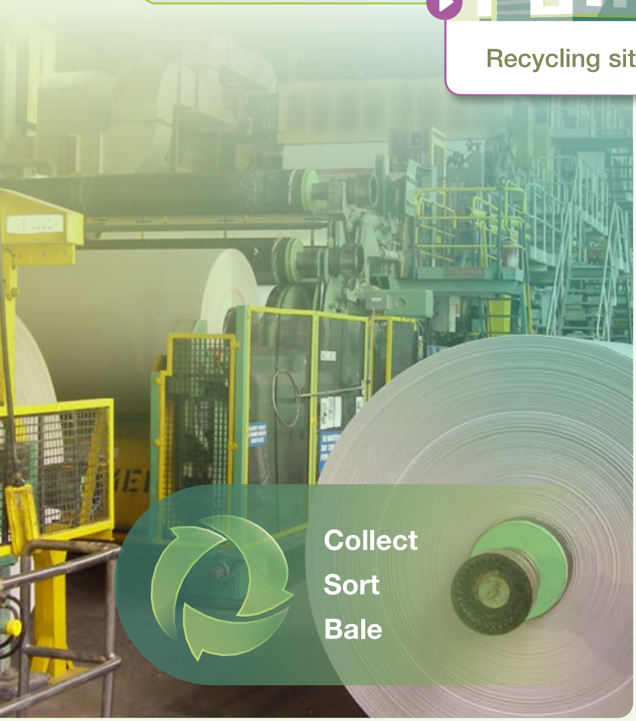
# The Paper business

## 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.

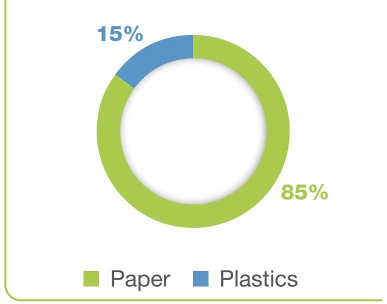
High-graphic print capabilities at our facilities ensure that any customised branding and designs incorporated into the products have visual appeal and support our customers' marketing initiatives. We further aim to provide packaging solutions that protect our customers' goods whilst being transported.

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.

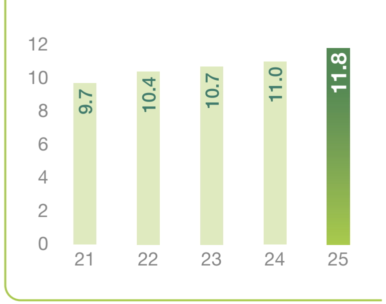
# The Paper business *(continued)*

## Operational performance

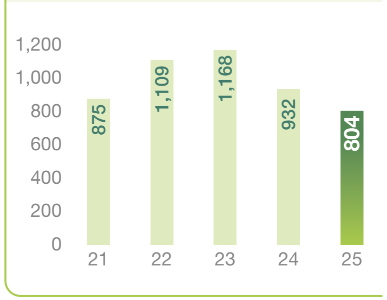
**Group revenue contribution**



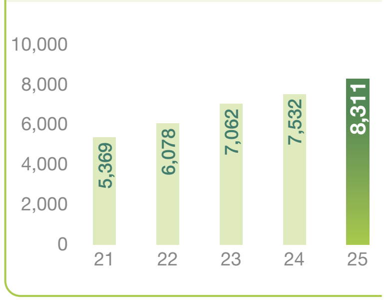

**Segment revenue** (R'bn)




**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.

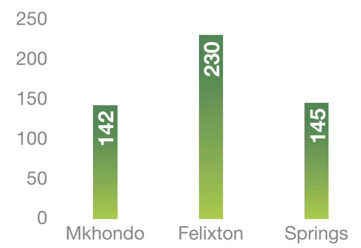
Although the Group has pursued various investment opportunities aligned with the expansion of the agriculture sector, we are concurrently strengthening our focus on the industrial sector to optimise the benefits of our integrated position, particularly through the utilisation of paper output from the 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 0.78$CO_2$e/t of product (2024: 0.81t$CO_2$e/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.<br>• Implement planned load shedding arrangements.<br>• Discussions with water authorities.<br>• Drive to decrease water consumption at all the manufacturing plants.<br>• Interact with agricultural customers to understand the impact of extreme weather events on their crops and the recovery time.<br>• 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.<br>• 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.<br>• 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.<br>• Provide superior product offerings.<br>• 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.<br>• Proactive CSI initiatives.<br>• 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.<br><br>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.<br><br>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.<br>• Mpact also retains experts in, and legal registers of, relevant disciplines supported by rigorous audits.<br>• The Group contributes to the development of legislation by engaging with Government via industry bodies.<br>• 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.<br>• EU Carbon Border Adjustment Mechanism (CBAM) regulations are monitored but do not currently affect Mpact directly.<br>• Mpact is compliant with EPR regulation requirements.<br>• 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.

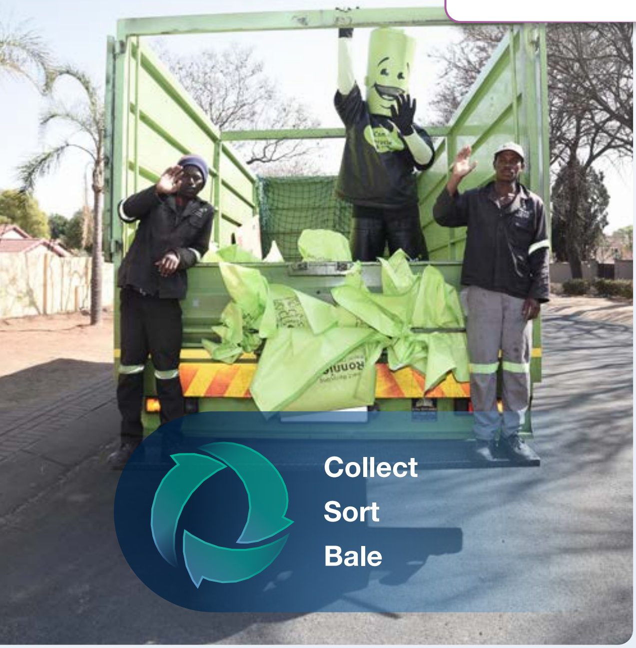
# The Plastics business

## 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)**

Customer use

### 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.

Customer use → Consumer use → Recycle

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.

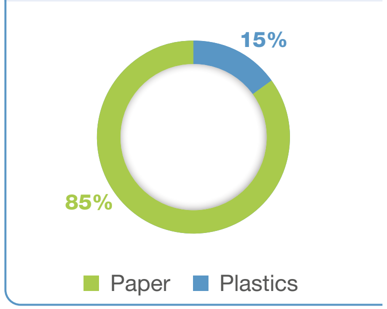
The Group continues its memberships of plastics industry bodies such as Plastics SA, Plastic Convertors Association, SA Plastics Pact, PETCO and POLYCO, in which it is an active participant.

| | Bins & Crates | FMCG |
|---|---|---|
| **Locations** | • Brits (North West)<br>• Castleview (Gauteng)<br>• Atlantis (Western Cape)<br>• Recycling Brits (North West) | • Atlantis (Western Cape)<br>• Pinetown (KZN)<br>• Wadeville (Gauteng) |
| **Products manufactured** | Manufactures large injection moulded plastic products including:<br>• Jumbo bins for the agricultural market<br>• Wheelie bins for waste collection<br>• A range of industrial products, including plastic pallets and crates<br>• Bottling crates<br>• Exporting of the abovementioned products<br>• 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. |

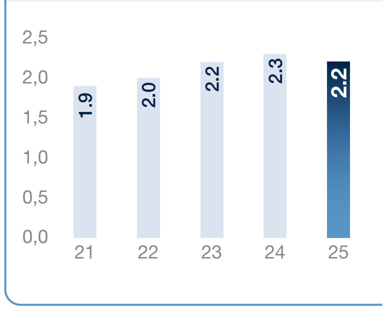
# The Plastics business *(continued)*

## Operational performance

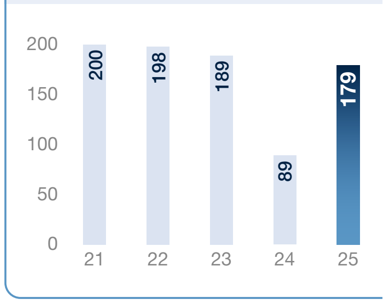
**Group revenue contribution**



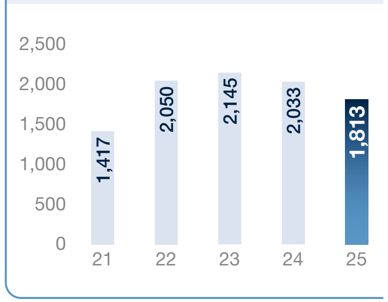

**Segment revenue** (R'bn)




**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: 1.14t$CO_2e$/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.<br>• Continuous market monitoring and proactive pricing.<br>• Increase polymer recycling capacity. |
| New international and local plastic manufacturers entering the market. | • Provide innovative products to a rapidly changing market.<br>• Develop and market an innovative generic product range.<br>• Increased innovation and R&D support services to our customers.<br>• 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.<br>• 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.<br>• Facilitate access to available funding.<br>• 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.<br>• Supplier engagement and supply chain management.<br>• 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.<br>• 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.<br>• Install generation capacity to limit the impact of load shedding at some of the plants.<br>• Continued investment in solar.<br>• Maintain a sufficient reserve of spare parts.<br>• Installation of more Uninterruptible Power Supply (UPS) modules to protect the IT systems.<br>• 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.<br>• 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.



04

# SUSTAINABILITY OVERVIEW

# Our ESG strategy

## Introduction

We are guided by our values of being resolute, trustworthy, and responsible in all our actions. Environmental sustainability and social responsibility to our employees, contractors and communities are sustained by our governance framework, which embeds the principles of sound corporate governance throughout the organisation. ESG priorities are woven into our strategic direction and operational approach, ensuring the long-term resilience and sustainability of our business.

The Board has overall responsibility for the Group's performance as a good and responsible corporate citizen. Monitoring and oversight of environmental sustainability, health and safety, and CSI is delegated to the Social and Ethics Committee, while our governance frameworks, including risk management, are overseen by the Audit and Risk Committee.

A broad suite of policies and procedures establishes the framework within which we manage our overall business and guide our employees, suppliers, and partners to promote a cooperative, coordinated, and ethical approach to business. These policies and procedures cover the Code of Ethics, safety, health, environment and energy, transformation, procurement, human resources, financial management, risk management, and maintenance, amongst others.

Sustainable development and continual improvement initiatives across the Group's operations are centrally coordinated.

The Group's performance for the year is outlined in the Social and Ethics Committee Report, as well as in our Sustainability Report, available online at www.mpact.co.za.

**Mpact's vision is to be a leading packaging business with the highest ethical standards, delivering exceptional value for our customers, employees, communities and shareholders. This vision is embodied in our ESG strategy, along with our values and our strategic pillars. The strategy also takes into account our material matters.**

## Environment

We are committed to acting as a responsible corporate citizen, managing our natural resources with care, sensitivity and expertise, while complying with environmental laws as a minimum standard.

### Climate and energy

We set challenging targets for energy and $CO_2e$ reductions. We engage in energy-efficient practices, installing solar PV systems, and focus on the integration of green electricity.

We have invested extensively in energy use reduction through a range of efficiency projects and initiatives across the Group as well as our ongoing investment in solar PV installations. Driving this is our five-year energy management plan in which each operation commits to energy reduction targets. With carbon emissions integrally linked to energy, these also serve as carbon emission reduction plans and form the basis for our Greenhouse Gas Pollution Prevention Plans and Carbon budget, both of which have been approved by the Government.

Furthermore, Mpact has drafted a Net Zero vision for 2050, although the fulfilment of the plan will depend on developing green energy technologies and the carbon markets. We have also developed a Climate Change Risk Register that informs our climate adaptation and mitigation plan.

### Protecting water, air and biodiversity

Our actions include efficiency measures, utilising rainwater and boreholes and recycling wastewater, where possible. We focus on minimising air emissions, reducing our waste to landfill and fostering biodiversity in the areas where we operate.

Mpact's paper mills account for 95% of the water used in the Group and have a legacy of optimising water use through water recycling and reuse while navigating the impact this has on paper quality. Other operations across the Group have also contributed with significant efforts to reduce water wastage, improve efficiency and developing water recycling and recovery systems as well as rainwater harvesting and boreholes. Our water reduction is driven by five-year plans that are routinely reviewed by all operations.

Reducing atmospheric emissions from boiler stacks, vehicle exhausts and dust is an ongoing focus within our environmental management plans. Progress is driven by energy reduction programmes.

To contribute to the protection of biodiversity, we purchase raw materials from responsible sources and most of the fibre used in our paper mills is supplied by the Recycling division. Additional virgin pulp comes from responsible sources, and our Paper Converting (Corrugated) plants are certified to Forest Stewardship Council (FSC®) standards.

### Circular economy

Our business model is rooted in the circular economy, from the way our products are designed, to the materials we use and how we manufacture, recover and recycle products.

The Group plays an important part in closing the loop on the circular economy in southern Africa through our position as the largest paper and plastics packaging and recycling company in the region. In 2025, we collected 639 million kilograms of recyclable paper, glass, beverage cans, plastic, and liquid board packaging, diverting waste that would have ended up in landfill.

An increasing percentage of the high-density polyethylene used in the manufacture of crates, wheelie bins, and pallets in the Bins & Crates unit comes from on-site recycling.

*Springs mill solar*

# Our ESG strategy *(continued)*

*Environmental targets and performance*

Our 2027 reduction targets are set across the business, based on five-year targets set by operations for energy (and by implication $CO_2e$) and water reduction. Executive and management KPIs are linked to ESG targets to demonstrate management commitment to Mpact's sustainability.

To plan effectively for the future and be more effective in reporting performance, we recalculated our targets with the exclusion of Versapak and Wadeville. Wadeville was downsized and restructured between 2023 and 2025, while Versapak was sold in 2024. The 2027 targets remain the same with year-on-year targets and performance restated with the exclusion of the above noted sites.

Progress towards meeting our targets in 2027 is set out in the table below:

**Year-on-year reduction %**

| | Energy | | Scope 1 and 2 $CO_2e$ | | Water | |
|---|---|---|---|---|---|---|
| **Mpact Environmental Targets** | Target Cumulative | **Achieved Cumulative** | Target Cumulative | **Achieved Cumulative** | Target Cumulative | **Achieved Cumulative** |
| 2019 | | | | | | |
| 2020 | 2.60% | **2.37%** | 2.60% | **2.01%** | 2.83% | **2.92%** |
| 2021 | 1.44% | **1.31%** | 1.44% | **0.64%** | 0.25% | **0.15%** |
| 2022 | 2.49% | **6.28%** | 2.49% | **5.16%** | 0.56% | **6.30%** |
| 2023 | 3.74% | **9.04%** | 3.74% | **7.92%** | 1.01% | **6.86%** |
| 2024 | 5.62% | **6.61%** | 5.62% | **5.72%** | 1.67% | **1.98%** |
| 2025 | 8.12% | **8.99%** | 8.12% | **8.73%** | 2.56% | **5.05%** |
| 2026 | 11.25% | | 11.25% | | 3.67% | |
| 2027 | 15.00% | | 15.00% | | 5.00% | |

Several factors in 2025 significantly affected energy and water efficiency. These included the Mkhondo paper mill project, restructuring of the Plastics Wadeville product offering, and structural challenges at Paper Converting Brakpan and Springs. The rebuild at Mkhondo was extensive, resulting in unavoidable production disruptions. For this reason, the months most affected by the shut have been excluded from environmental target calculations.

## Social

We are dedicated to fostering a safe and supportive workplace where our employees can pursue their aspirations and enhance their lives, while also surpassing customers' expectations for product and service quality, innovation, and cost competitiveness. We collaborate with the communities within which we operate to improve lives where possible.

### Health and safety

We are committed to providing a safe and secure working environment in which our employees can fulfil their ambitions and aspire to continually improve their circumstances. Mpact and our customers are supported by our Food Safety research team in Stellenbosch to ensure our products comply to world-class standards.

The safety and well-being of our employees and contractors remain a priority as we are committed to targeting "zero incidents". The SHE Management Committee and Social and Ethics Committee review performance against leading indicators, measured across six metrics, and lagging indicators, such as serious injury frequency rate, at their quarterly meetings.

The independently managed Life HS Employee Wellness Programme continues to provide essential health, psychosocial, legal, and financial counsel to employees and their dependants. Clinics at our operations support our efforts to promote safety, health and wellness through annual medical assessments, monitoring of chronic diseases, and providing primary health consultations as well as attending to injuries on duty when they occur during clinic hours.

Occupational hygiene surveys are conducted routinely to ensure that the operations comply with the necessary noise, lighting, dust and other occupational hygiene standards.

### Development and transformation

Mpact Operations holds a B-BBEE Level 1 certificate and runs Mpact Foundation Trust, a bursary scheme exclusively for the dependants of qualifying employees. We actively engage with several programmes to contribute to the communities in which we operate.

We aim to be an employer of choice by offering a competitive employee value proposition, given that our ability to create value for stakeholders depends on our ability to continue to attract, develop, and retain talent and experience in the business.

We remain committed to transformation and the Group Transformation Philosophy sets transformation goals that are reflected in our vision, core values, culture, and approach to people development at all levels in the business. Our Fair Employment and Promotions Philosophy emphasises that there is a place for all people in Mpact and entrenches merit-based employment equity to address diversity throughout the organisation, especially regarding race, gender, and disabilities. The Mpact Foundation Trust (@ page 54) serves both as a vehicle for B-BBEE ownership and empowering previously disadvantaged individuals. The Trust established a bursary scheme solely for the benefit of qualifying Mpact employees' dependants.

### *Employment opportunities*

In 2025, we had a workforce of 4,856 people at our operations, with R2.3 billion allocated towards salaries, wages, and benefits for our staff.

### *Skills development*

Mpact invested R28.1 million in 2025 (2024: R26.9 million) in skills development and 76,159 man-hours of training for 4,001 employees. This investment enhances the human and intellectual capital available to the Group as well as the personal growth, career development, and employability of employees. People are encouraged and supported to continue to further their education in job-related fields. Furthermore, the Mpact e-Learning Academy offers internally and externally curated courses in a wide range of topics, including management and leadership, health and safety, wellness, business fundamentals, risk management, energy, and environmental management.

### *Promoting diversity and representation of historically disadvantaged South Africans*

This year, the Group provided 210 people with learnerships and skills development opportunities through our programmes, which aim to better the industry-relevant skills pool. 85% of candidates on these programmes are from previously disadvantaged backgrounds, and 32% are Black women. Mpact's transformation initiatives promote diversity and the advancement of historically disadvantaged South Africans.

### *Socio-economic development*

Community development and engagement are critical aspects of sustainable investment, and as such, our CSI strategy provides financial support for social upliftment projects, to build partnerships with host communities and encourage employee volunteerism. Many of the Group's contributions aim to address some of South Africa's most significant challenges, including socio-economic upliftment in disadvantaged communities, unemployment, education, and environmental sustainability.

During 2025, Mpact invested R12.6 million (2024: R10.8 million) in our CSI initiatives, which have a strong focus on education, health, sports, disaster relief, youth development and gender-based violence (GBV). More information on our CSI initiatives can be found in the Sustainability Report available on our website: www.mpact.co.za.

### *Enterprise development*

We support economic development by providing opportunities for small businesses through our enterprise development programme and for suppliers in the recycling value chain. Mpact Recycling's 14 sites buy recyclable waste from buy-back centres and small enterprises, promoting local beneficiation of raw materials, supporting the development of SMMEs, and providing indirect job opportunities in the recycling industry.

Recycling

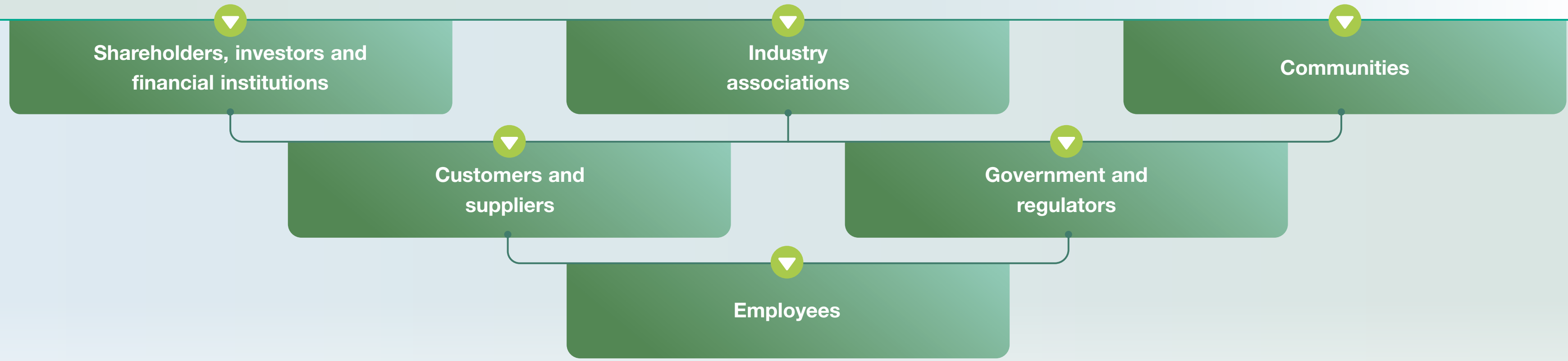
# Our ESG strategy *(continued)*

## Stakeholder engagement

Meeting and exceeding customers' requirements for product and service quality, innovation, as well as cost competitiveness, remains a commitment of our business. Accordingly, we engage with a range of stakeholders, including industry bodies such as PAMSA, Fibre Circle, Packaging SA, PETCO, Polyco and Plastics SA.

Regular, transparent, and open dialogue with our stakeholders remains an ongoing element of ensuring our long-term success. We engage regularly with primary stakeholders to understand their key concerns and identify ways to address the social, economic, and environmental challenges they and the Group face. The information from these engagements informs our strategy discussions, strengthens our community programmes, identifies risks, opportunities, and material matters, and ensures compliance with the Companies Act and King IV™.

### Mpact's primary stakeholder groups




**The Group's Stakeholder Engagement Policy guides this approach and is reviewed annually, with the Social and Ethics Committee reviewing quarterly reports on our key engagements with stakeholders. The Committee further evaluates our primary stakeholders each year to ensure these stakeholders continue to reflect the key groupings with which we interact.**

**Further information on Mpact's stakeholder engagement is detailed in the Sustainability Report, available on www.mpact.co.za**

## Governance

Our commitment to governance is set out in this Integrated Report that provides details on how we address the three core elements of governance in the ESG approach illustrated above.

### Ethical business

Our values of being trustworthy, resolute and responsible drives our behaviour – we conduct business in an ethical and transparent manner.

### Robust governance

We set challenging targets and remain accountable, especially in the face of adversity.

We are audited by global accreditation bodies across various disciplines to ensure trust in our processes and products.

### Risk management

We are continuously identifying and managing risks through our Enterprise Risk Management system, compliant with ISO31000. With robust risk mitigation strategies and contingency plans, we maintain service stability and safeguard our customers' interest.

# Social and Ethics Committee Report

**Our role is to ensure Mpact remains a responsible corporate citizen, guided by ethical leadership and a commitment to sustainability. We will continue to focus on health, safety, transformation, and environmental stewardship to create long-term value for all stakeholders.**

**Maya Makanjee**
*Chair, Social and Ethics Committee*

I am pleased to once again present the Social and Ethics Report to stakeholders for 2025.

## Mandate and governance

The Social and Ethics Committee (the Committee) operates in accordance with Regulation 43 of the Companies Act, the principles of King IV™, and its approved Terms of Reference, which are reviewed annually to ensure alignment with statutory requirements and the evolving needs of the organisation.

The Committee reports to the Board quarterly and annually to shareholders at the AGM. Members of the Committee are as follows:

| | |
|---|---|
| M Makanjee | Chair, Independent Non-executive Director |
| ABA Conrad | Independent Non-executive Director |
| FC Futwa | Independent Non-executive Director |
| BW Strong | Executive Director |

The Committee met four times during the financial year. The table below sets out the attendance by the Committee members:

| Director | 4 March 2025 | 3 June 2025 | 29 July 2025 | 3 November 2025 |
|---|---|---|---|---|
| M Makanjee | ✓ | ✓ | ✓ | ✓ |
| ABA Conrad | ✓ | ✓ | ✓ | ✓ |
| BW Strong | ✓ | ✓ | ✓ | ✓ |
| FC Futwa* | – | – | ✓ | ✓ |

* *Joined as a member of the Social and Ethics Committee after being appointed at the AGM on 5 June 2025.*

## Role and responsibilities

The Committee's mandate encompasses oversight of Mpact's ethical conduct, sustainability performance, and social responsibility. This includes monitoring compliance with legislation and codes of best practice in areas such as:

- Social and economic development, including alignment with the UN Global Compact Principles, OECD anti-corruption recommendations, the Employment Equity Act, and the B-BBEE Act.
- Good corporate citizenship, including equality, prevention of unfair discrimination, and anti-corruption measures.
- Environmental, health, and public safety, including the impact of Mpact's operations and products.
- Consumer relationships, ensuring compliance with consumer protection laws.
- Labour and employment, including decent working conditions and employee development.

## Commitment to ESG

Mpact's commitment to ESG principles is embedded in its strategy and operationalised by management with oversight by the Committee. This commitment is expressed through the following actions:

- Acting as a responsible employer and corporate citizen, managing natural resources with care, sensitivity, and expertise.
- Providing a safe and secure working environment where employees can fulfil their ambitions and continually improve their circumstances.
- Delivering innovative, sustainable packaging solutions that advance the circular economy through Mpact's integrated business model.
- Making a difference in the communities in which we operate, through targeted social investment and engagement.
- Adhering to local and international standards in quality, environment, food safety, and employee health and safety.

# Social and Ethics Committee Report *(continued)*

Key ESG initiatives include:

- Environmental stewardship guided by Mpact's Environmental Management Standard (EMS), which complies with ISO14001. Each operation has a five-year plan to reduce energy consumption, $CO_2e$ emissions, water use, and wastewater disposal.
  - Mpact has installed 17.7MWp of solar PV capacity, with a target of 25MWp by 2027.
  - Boreholes and rainwater harvesting facilities have been installed at several sites to mitigate water supply risks.
  - A Net Zero journey plan for 2050 and a Climate Change Risk Register guide Mpact's adaptation and transition strategy.
  - The Group has met its energy, $CO_2e$, and water targets, and has received no adverse environmental findings.
- Circular economy leadership: As southern Africa's leading plastic and paper recycling and packaging manufacturer, Mpact ensures valuable recyclable materials remain in the ecosystem, reducing landfill pressure and promoting resource efficiency.

## Health, safety, and employee well-being

The Committee oversees health and safety performance and ensures processes are in place to create a safe working environment.

Over the past two years, Mpact has invested in extensive first-line fire defence training, with the aim to train all employees and contractors on our sites on the basics of fire propagation and how to use a fire extinguisher. Fire team training has also been done at most plants, where volunteer firefighting teams have been trained on the advanced use of fire hydrant systems. Mpact held its inaugural firefighting competition in September 2025, showcasing the business's strong commitment to fire defence excellence and operational safety. This consisted of both first-line and fire team exercises.

Safety performance:

- SIFR (Serious Injury Frequency Rate) decreased to 0.38 (2024: 0.50)
- LTIFR (Lost-Time Injury Frequency Rate) decreased to 0.26 (2024: 0.40)
- LTIs (Lost-Time Injury) decreased to 17 (2024: 29),
- while RWCs (Restricted Work Case) increased to nine (2024: seven).

- Employee Wellness Programme (EWP):
  - Provides health, psychosocial, financial, and legal support to employees and their households.
  - 426 employees and family members accessed EWP services in 2025.
  - Onsite clinics offer primary health and chronic disease consultations, with the aim of having all employees undergo annual occupational health examinations.

While the Committee is pleased with the overall improvement in safety statistics across the Group this year, it is extremely saddened by the fatality that occurred in February 2025 at Mpact Corrugated Epping. A contractor employed to tarp trucks succumbed to his injuries as a result of a fall due to the incorrect use of the fall arrest equipment provided. The Committee expresses its condolences to his family, friends, and colleagues. The Department of Labour was informed in terms of section 24 of the OHSA, and Mpact conducted a thorough investigation of the incident.

## Transformation and skills development

Mpact Operations continues to maintain a Level 1 B-BBEE rating, reflecting its commitment to diversity and inclusion. The Committee supports transformation across the Group through initiatives in procurement, enterprise development, and skills development:

- Enterprise development programmes support small Black-owned and Black women-owned businesses, particularly in recycling operations, creating jobs and supporting entrepreneurship.
- Equity ownership: Black ownership at 35.4% (2024: 33.7%) and Black female ownership at 20.2% (2024: 18.6%).
- Preferential procurement: Mpact promotes the growth of small, Black-owned (38.9% versus 38.8% in 2024) and Black woman-owned (35.6% versus 33.4% in 2024) businesses.
- Skills development: Apprenticeship and learnership programmes are NQF-aligned, with over 85% of participants from previously disadvantaged backgrounds, of which 32% are Black women.
- The Mpact e-Learning Academy, launched in 2021, continues to provide accessible training across the workforce with 4,786 short courses completed in 2025.

## Corporate social investment (CSI)

Mpact invests in projects that uplift communities, focusing on education, health, sports, youth development, gender-based violence (GBV) and disaster relief. In 2025, Mpact contributed R12.6 million to CSI initiatives, reinforcing its commitment to socio-economic development.

## Ethics and stakeholder engagement

Mpact's Code of Ethics underpins its approach to integrity, human rights, anti-bribery, and anti-corruption. Employees are encouraged to report unethical conduct through management or the independently administered Tip-offs Anonymous whistle-blowing facility.

Stakeholder engagement remains central to identifying risks, opportunities, and material issues, ensuring Mpact creates sustainable value through responsible leadership and its circular economy model.

## Looking ahead to 2026

**The Social and Ethics Committee will continue to:**

- **Strengthen oversight of ESG risks and opportunities.**
- **Support the advancement of Mpact's climate adaptation and Net Zero strategy.**
- **Promote transformation and inclusive growth through procurement and skills development.**
- **Ensure the enhancement of health and safety initiatives to achieve the zero harm target.**
- **Deepen stakeholder engagement to maintain trust and transparency.**

## Impact snapshot

| Metric | 2025 Performance | 2024 Performance |
|---|---|---|
| Solar PV installed | **17.7MWp (Target: 25MWp by 2027)** | 16MWp |
| CSI spend | **R12.6 million** | R10.8 million |
| B-BBEE rating | **Level 1** | Level 1 |
| Black ownership | **35.4%** | 33.7% |
| Black female ownership | **20.2%** | 18.6% |
| SIFR | **0.38** | 0.50 |
| LTIFR | **0.26** | 0.40 |
| EWP consultations | **426** | 341 |

Mpact's approach to sustainability and ethics is rooted in accountability, innovation, and care. By acting as a responsible employer, managing resources wisely, and fostering transformation, Mpact creates shared value for its stakeholders and communities in which it operates.

The company's commitment to the circular economy, adherence to global standards, and focus on employee well-being position Mpact as a leader in responsible business. As the Committee looks ahead, it remains dedicated to supporting the business as it builds resilience, drives inclusive growth, and ensures that the operations contribute positively to society and the environment, today and for future generations.

On behalf of the Social and Ethics Committee

**Maya Makanjee**
*Chair, Social and Ethics Committee*

24 April 2026

# Mpact Foundation Trust Report

**"Education is the foundation for overcoming South Africa's social and economic challenges. By empowering individuals with skills, we unlock potential. We remain committed to supporting our students and expanding opportunities for those who need them most."**

**Lea Conrad**
*Chair, Mpact Foundation Trust*

Established in 2015, the Mpact Foundation Trust advances the empowerment of previously disadvantaged stakeholders by funding broad-based initiatives through a sustainable structure, in full compliance with the B-BBEE requirements applicable to the Trust and the company. All scholarships, bursaries, loans, or awards are granted based on merit and/or financial need.

The trustees established a bursary scheme exclusively for the dependants of qualifying Mpact employees, prioritising students from historically disadvantaged groups with a strong emphasis on supporting Black women. Successful candidates receive full cost, comprehensive academic support to study at accredited higher education institutions.

## Governance and oversight

The Trust is governed by a dedicated team of trustees, which includes two Independent Non-executive Directors of Mpact, Lea Conrad (Chair) and Maya Makanjee, the Company Secretary, and Mpact's CFO, Hannes Snyman.

An independent third party monitors academic performance and reports progress to trustees, enabling timely support where needed. In addition, students receive regular check-ins, ensuring they feel connected to a reliable support system that addresses challenges early and holistically.

The trustees remain committed to:

- deploying the Trust's resources in support of projects and initiatives that advance the interests of the beneficiaries and deliver broad-based social, developmental, or philanthropic impact;
- supporting and promoting B-BBEE objectives and recognition within the Group; and
- ensuring that all financial assistance provided by the Trust is awarded fairly, transparently, and based on objective merit and/or demonstrated need.

## Education as a driver of change

The bursary scheme remains the cornerstone of the Trust's work, providing comprehensive academic support, including tuition, accommodation, prescribed books, and living allowances, to dependants of qualifying Mpact employees in the Paterson C graded band and below.

By covering these essentials, the full cost nature of the bursary removes day-to-day financial pressures such as food, transport, and other basic needs, enabling students to focus fully on their studies and sustain performance.

These bursaries are awarded to students from historically disadvantaged groups, with a strong emphasis on supporting Black women. Last year we reported that a student had been accepted into a doctoral programme. This year we are pleased to present a feature story about Dr Nomsa Mnisi, the same student, who has now graduated.

Dr Nomsa Mnisi, 28, from Springs in Gauteng, was a recipient of the Mpact Foundation Trust bursary scheme in 2017. Her dream was to achieve the highest level of education through her passion as a teacher and an academic, and in August 2025, she graduated with a PhD in Education from the University of Witwatersrand.

She was enrolled for her second year at Wits for her undergraduate studies when her father, an Mpact employee, came home with the news that she has been accepted as a recipient of an Mpact bursary. “The bursary took care of everything from accommodation, tuition, text books and an allowance. This brought great relief to my parents and to my mental health as a varsity student.”

Today, Mnisi specialises in disability studies, including aspects of citizen participation, vocational education, and lifelong learning opportunities for learners with mild intellectual disabilities in South African schools.

Her work has been recognised and published through peer-reviewed publications in reputable South African education journals, which advance novel educational research.

Mnisi’s exceptional contributions have garnered her prestigious accolades, including membership in the Golden Key International Honour Society, a Dean’s List Merit recipient, and scholarships from prominent corporations and foundations.

“I’ve always wanted to realise my full potential and reach a pinnacle of my career and also contribute to the South African group of scholars,” Mnisi said.

Her father, Moses Mnisi, who worked at the Springs paper mill for 30 years, said he is forever grateful to the company’s contribution towards his daughter’s education. “I was one of the first parents to apply to the Mpact Foundation Trust, and I became an ambassador by encouraging other employees to apply and secure their children’s future.”


Dr Nomsa Mnisi

In March, six of the 18 beneficiaries were hosted at a meet and greet lunch with Chair Lea Conrad at Mpact’s Melrose Arch office, joined by the CEO Bruce Strong, CFO and Trustee, Hannes Snyman, and ex-Trustee Donna Dickson.

Students shared their university experiences and engaged management on mental health, goal setting, and expectations. Participants valued “putting human faces to the names of the Trustees”, which fostered mutual understanding and strengthened accountability. The Trust will continue to schedule engagements at times that suit both students and Trustees in 2026.

*Lea Conrad said, "I found the engagement very enlightening. It was incredibly positive to meet the students and put faces to the names of those who have been awarded bursaries. I sensed that for the students, having the opportunity to ask questions, clarify expectations, and start engaging professionally with members of management was a valuable experience. On a lighter note, I could feel their energy and their excitement about being at Mpact. Engaging with the students regularly and planning sessions at times that suit the students and Trustees will be part of our focus going forward.”*

# Mpact Foundation Trust Report *(continued)*

## Driving positive impact

**Impact to date:**

- **63** bursaries awarded since 2016
- **43** graduates completed their studies
- **27** of whom are women
- Fields of study include medicine, accounting, logistics, law, engineering and information systems
- **6** graduates pursued postgraduate studies; one accepted into a doctoral programme

## Enabling work readiness

Education provides the foundation, while workplace readiness provides a bridge. Opportunities are provided, where possible, for students to gain workplace exposure, through:

- Paid mid-year vacation jobs within Mpact operations, providing practical exposure to workplace standards such as health, safety, ethics, and general work professionalism. In 2025,17 students participated in this programme.
- A 12-month internship programme, launched in 2021, for graduates without employment opportunities, offering experience aligned with their fields of study. These internships provide meaningful, structured workplace experience that allows participants to develop practical skills, professional confidence, and career readiness. They give interns sufficient time to contribute value, understand organisational culture, and build credible work experience, while enabling organisations to develop talent, assess potential future employees, and support skills development and transformation objectives in a sustainable way. Interns learn humility, collaboration, and professionalism.
- Employability training, including career strategies, emotional intelligence, financial literacy, and wellness, delivered online and in-person. Beneficiaries select three topics annually to complete.

## Encouraging resilience and life-long learning

Introduced in 2023, the Mindful Resilience Programme equips students with tools to manage stress, maintain focus, and build confidence – competencies that educators and trustees alike view as essential life skills for young adults. This initiative equips beneficiaries with tools to manage stress, maintain focus, and embrace life-long learning. Feedback continues to be exceptionally positive, with participants reporting improved concentration and confidence.

The beneficiaries are also encouraged to use the Mpact Employee Wellness Programme, which provides free, confidential 24-hour support and assistance on health, financial, and legal matters.

## Tracking the progress of graduates

In 2025, the Trust initiated a project to track graduate outcomes in order to better measure long-term impact. This project will continue into 2026.

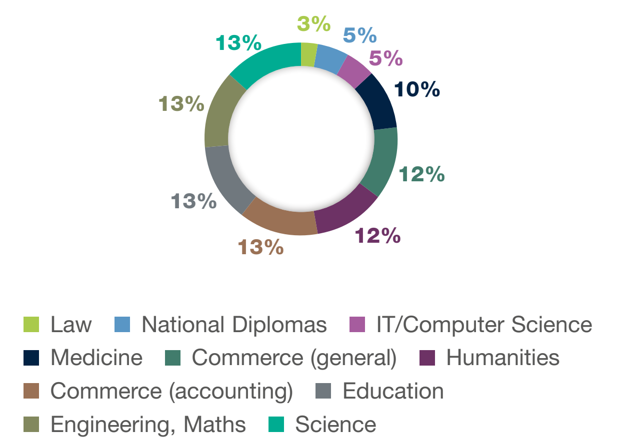
## Focus for 2026

**The Trust's focus for the next year is as follows:**

- **To enhance graduate tracking to demonstrate long-term impact.**
- **To deepen resilience and employability training, ensuring beneficiaries thrive in a rapidly changing world.**
- **To continue to provide well-rounded and structured support for students throughout the period of their bursary.**
- **To ensure that opportunities are created for vacation work to enable students to experience the world of work and equip themselves with the skills needed in their careers.**

Mpact Foundation Trust

**Mpact Foundation Trust (studies undertaken by beneficiaries)**

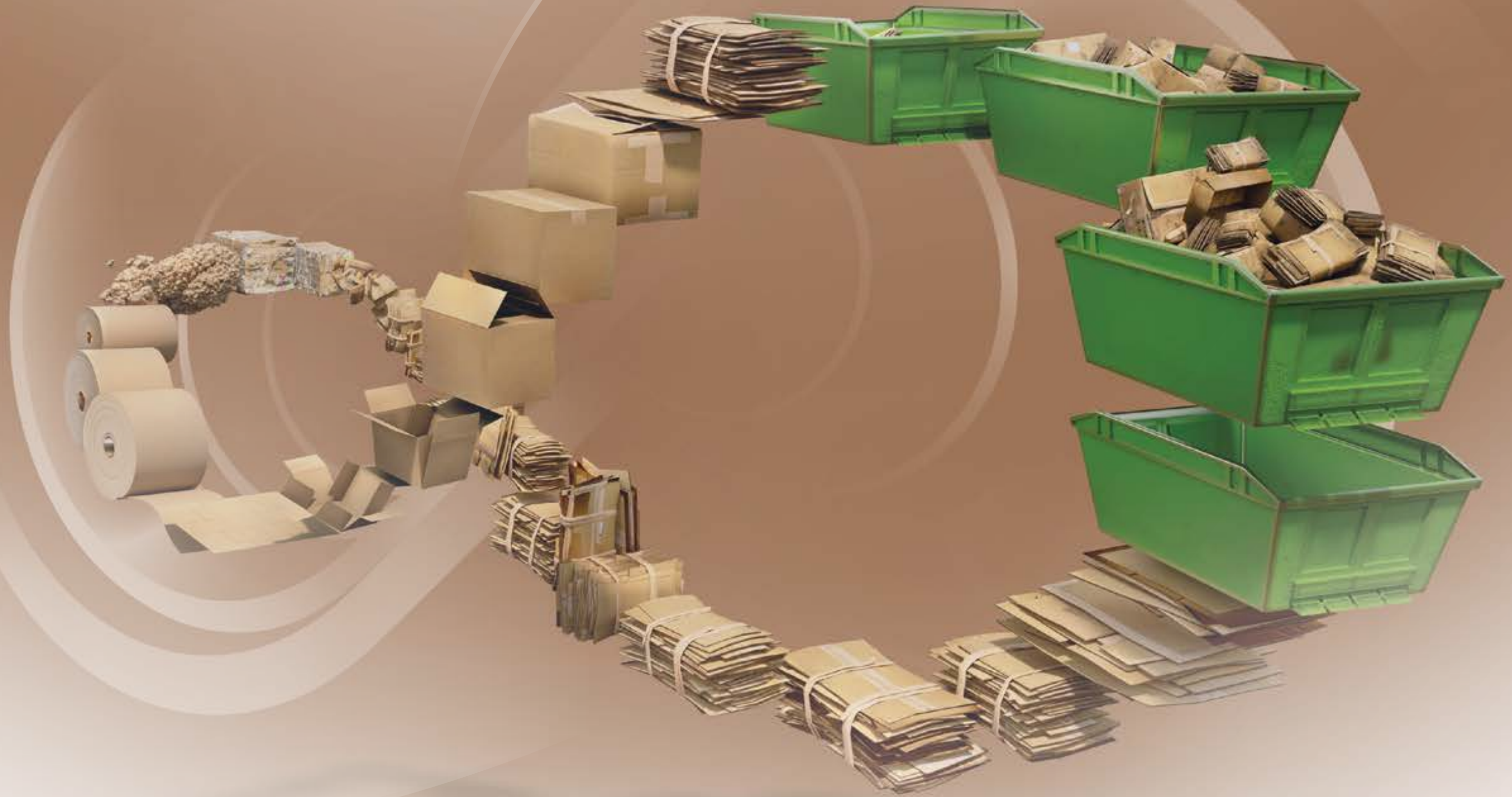



Education remains one of the most powerful tools to address South Africa's socio-economic challenges. Through the Mpact Foundation Trust, the Group is proud to continue playing a role in shaping a future where talent and determination, and not circumstance, define opportunity.

On behalf of the Mpact Foundation Trust

**Lea Conrad**
*Chair, Mpact Foundation Trust*

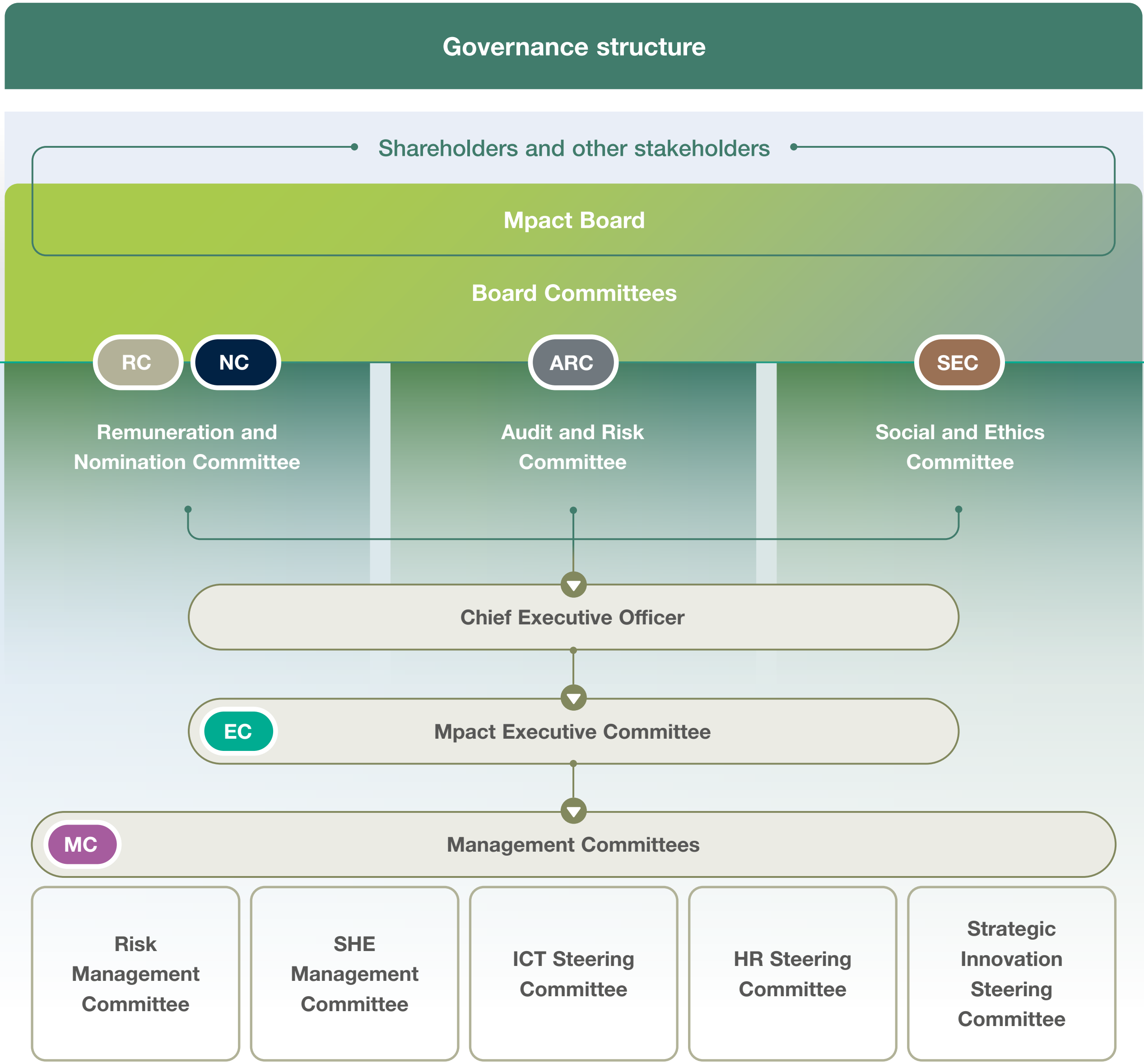
24 April 2026



05

# GOVERNANCE

# Corporate Governance Report




## Commitment and approach to corporate governance

The Board embraces its responsibility to ensure that the principles of sound corporate governance are observed and incorporated into the leadership and management of the Group. The Board confirms that the Group has complied with all its statutory obligations as prescribed by the Company's MOI, the Companies Act, the JSE Listings Requirements, A2X rules and all other regulatory requirements. The Group, under the stewardship of the Board accepts responsibility for the application of good corporate practices to ensure that business is managed ethically and within acceptable risk parameters. In discharging this responsibility, the Group is guided by its Terms of Reference and Policies and further ensures that effective corporate governance is practiced consistently throughout the Group.

## Ethical leadership and corporate citizenship

The Board has set values to which the Group adheres, and these are incorporated into the Group's Code of Ethics. The Code of Ethics includes our ethical values and our behavioural standards. This foundation remains the Board's platform to lead Mpact sincerely and honestly.

The Group's standards of integrity and ethics in dealing with its stakeholders at large are included in the Code of Ethics. Integrity is fundamental to how the Group conducts its business and is expressed in its values and principles and guides interactions with stakeholders. Every employee is expected to adhere to these principles and values to deliver exceptional value to our stakeholders by cultivating the habits of being resolute, trustworthy and responsible. This is not merely a matter of knowing the "rules", but of repeatedly exercising moral thinking and applying the guidelines outlined in the Group's Code of Ethics. The Code of Ethics is reviewed

# Corporate Governance Report *(continued)*

by the Board periodically to ensure that Mpact has the requisite values and principles to remain differentiated by people who are resolute, trustworthy and responsible.

The Social and Ethics Committee assists the Board to monitor the Group's corporate citizenship responsibilities. The committee monitors progress against transformation targets and the Group's employment equity plan, fair remuneration, health and safety, as well as the external verification of the Group's empowerment activities.

## King IV™ application

The Board is committed to achieving the highest standards of governance, business integrity and ethical conduct across all its activities. This is achieved by effective and ethical leadership through continuously reassessing the Group's internal controls, policies, Terms of Reference, procedures and processes, while considering the recommendations contained in King IV™ and making relevant changes when appropriate. The Group remains committed to managing its operations in accordance with the highest ethical standards.

The Group conducts qualitative assessments of the level of application of King IV™ principles to fully achieve the four governance outcomes of:

- ethical culture;
- good performance;
- effective control; and
- legitimacy.

The Board is satisfied that every effort has been made to apply material aspects of King IV™.

## Governance framework

The power and authority to lead, control, manage and conduct business, including the power and authority to delegate, is vested with the Board to ensure that Mpact remains a sustainable and viable business. This responsibility is facilitated by a well-developed governance structure. The Governance Framework of the Group defines reporting lines between the divisional level and the Board to ensure that the divisions' approach to corporate governance remains in line with Mpact's policies.

The Board determines, prioritises and provides guidance for achieving Group objectives. The ultimate responsibility for ensuring full and effective control of the Group's businesses rests with the Board. In discharging its responsibilities, the Board is supported by Board sub-committees and senior management. The Board has several sub-committees in which Non-executive Directors play a pivotal role. With guidance from the Board, the day-to-day responsibility for ensuring that the Group's businesses are managed appropriately, rests with the CEO. The CEO may delegate day-to-day duties to divisional management as and when required.

The responsibilities delegated to the committees of the Board are formally documented in the Terms of Reference for each committee, which have been approved by the Board and are reviewed annually to keep abreast of developments in law and best practices in governance. Recommendations and feedback on key activities addressed by the committees are provided at Board meetings, ensuring transparency and full disclosure of the committees' activities.

Each Board committee meets at least four times a year. The composition and responsibilities of each Board committee are further elaborated on in this report. The Board has, through an approved delegation of authority, delegated the implementation and execution of the approved strategy to executive leadership via the CEO.

## Role and function of the Board

The Board is a unitary body that is effective in leading and controlling the Group. Its mission is to ensure Mpact's continued success and sustainability by collectively directing the Group's affairs with effective and responsible leadership within the industries and markets in which Mpact operates, while meeting the appropriate interests of its relevant stakeholders.

## Role and function of the Executive Committee (Exco)

The Exco is responsible for making recommendations to the Board regarding the Group's policies and strategies and for monitoring their implementation in accordance with the Board's directives. The Exco meets at least four times a year and is responsible for the Group's operational activities, developing strategy and policy proposals for consideration by the Board, and implementing the Board's directives. The committee has a properly constituted mandate and Terms of Reference.

Other responsibilities include:

- leading the executive, management and staff of the Group;
- developing the annual budget and business plans for approval by the Board;

- developing, implementing and monitoring policies and procedures, internal controls, governance, risk management, ethics and authority levels;
- monitoring and enforcing good corporate governance practices and the application of the Code of Ethics, as defined and adopted by the Board;
- guiding and controlling the overall direction and control of Mpact, and acting as a medium of communication between business units, subsidiaries and the Board;
- ensuring appropriate coordination between Mpact, its subsidiaries and the various business units; and
- ensuring the adequacy of the Group's reporting arrangements.

The Exco has specific key performance areas and targets which are set in line with the approved strategy and monitored by the Board with the assistance of the Remuneration and Nomination Committee.

## Responsibilities of the Board

The Board serves as the focal point and custodian of corporate governance of the Group and acknowledges its responsibility for ensuring that the principles of sound corporate governance are observed and incorporated into the leadership of the organisation. Sound governance practices based on accountability, responsibility, transparency, ethical management and fairness, are entrenched across the business. The Board recognises that good governance, achieved through an ethical culture, competitive performance, effective control and legitimacy can create sustainable value and enhance long-term equity performance.

The Directors, collectively and individually, acknowledge their responsibilities in terms of King IV™, the Companies Act and the JSE Listings Requirements.

The Board's Terms of Reference requires each Director to regularly attend meetings of the Board and its committees. The purpose of these Terms of Reference is to set out the mission, duties and responsibilities of the Board, as well as the requirements for its composition and meeting procedures.

A summary of the duties of the Board as outlined in the Board's Terms of Reference include:
- providing leadership based on an ethical foundation and ensuring that the Group's ethics are effectively managed;
- recognising that strategy, risk, performance and sustainability are inseparable;
- acting as the focal point for, and custodian of, corporate governance;
- having a responsibility to all stakeholders, which includes present and potential beneficiaries of the Group's products and services, clients and employees, to achieve continuing prosperity for the Group;
- reviewing and approving financial objectives, plans and actions, including cost allocations and expenditures;
- ensuring that the Group is a responsible citizen by having regard to not only the financial aspects of the business, but also the impact that the business operations may have socially and environmentally;
- ensuring that the Group complies with applicable laws and considers adherence to non-binding rules and standards; and
- being responsible for the governance of risk, including Artificial Intelligence and Technology.

## Board practices

The Board is ultimately responsible for the Group's business, approval of the strategy and key policies and is the focal point and custodian of corporate governance at Mpact. It is also responsible for approving the Group's strategy, financial objectives and targets. The roles of the Chairman and CEO are separate and not held by the same person.

The Board is led by an Independent Non-executive Chairman elected by the Board, while the operational management of the Group is the responsibility of the CEO. The CEO is appointed by the Board. The Board recognises the necessity for Directors to occasionally seek independent professional advice at the Group's expense. In this regard, the Board has adopted a Board Policy on the procedure for taking professional advice.

A minimum of four Board meetings are scheduled per financial year, while additional meetings may be convened when necessary. A strategy session is held annually.

Well-structured Board agendas and comprehensive papers are circulated electronically to Board members on a timely basis, ensuring that the members are well informed, and that debate and decisions are constructive and robust at the Board meetings.

## Board composition

The Board comprised nine Directors, two of whom are Executive Directors, for the financial year ended 31 December 2025. The remaining seven Directors, three of whom are women, are all Independent Non-executive Directors. The two Executive Directors include the CEO and CFO in accordance with the JSE Listings Requirements, to ensure, among others, that the Board has more than one point of direct interaction with management.

The Non-executive Directors are not involved in the day-to-day management of the business and are not full-time salaried employees of the company and/or any of its subsidiaries. Non-executive Directors bring an independent view to the Board's decision-making and have a significant influence at Board meetings.

# Corporate Governance Report *(continued)*

As a collective, the Board is well-balanced with a wide range of knowledge, skills and industry experience. This diversity of skills and other attributes allows the collective, and each individual Director, to bring significant influence to bear on Board and committee deliberations, while the large component of Independent Non-executive Directors on the Board ensures unbiased decision-making.

There is a clear balance of power and authority at Board level, to ensure that no one Director has unfettered powers of decision-making.

## Independent Non-Executive Directors

The independence of Directors is determined holistically, and on a substance-over-form basis in accordance with the indicators provided in section 94(4)(a) and (b) of the Companies Act and the King Code.

The Nomination Committee reviews the independence of all Non-executive Directors using the guidelines recommended by the King Code, JSE Listings Requirements and the Companies Act and further undertakes a vigorous process to assess the independence of the Non-executive Directors who have served on the Board for a period longer than nine years. As at the date of this Report, the only Non-executive Director on the Board who has served in an independent capacity for longer than nine years is M Makanjee. The knowledge, competencies and capabilities of M Makanjee has contributed to the history and affairs of the Group and has assisted the Board in shaping the Group's growth and strategy.

The Nomination Committee found that all of the Independent Directors, through their actual conduct at Board and committee meetings, have displayed an independence of mind in their decision-making, that they are independent in character and judgement and that there are no relationships or circumstances which have affected, or could appear to affect, their independence.

The Board remains satisfied that all Board members demonstrate independence of mind and that there are no interests, positions, associations or relationships which are likely to unduly influence or cause a bias in decision-making. The Board is satisfied that all Directors continue to act in the best interest of Mpact and continue to perform their duties impartially and with the highest integrity.

## Board meeting attendance

The Board held four scheduled meetings during the financial year as well as a two-day strategy session. Meetings are conducted according to a formal agenda, ensuring that the Board properly addresses and follows up on all substantive matters and, over a 12-month period, covers all the agenda items on the Board's forward plan. The table below sets out the attendance by the Directors:

| Director | 6 March 2025 | 5 June 2025 | 31 July 2025 | 8 September 2025* | 14 October 2025[2] | 15 October 2025[2] | 5 November 2025 |
|---|---|---|---|---|---|---|---|
| PCS Luthuli[1] | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |
| ABA Conrad[1] | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |
| M Makanjee[1] | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |
| DG Wilson[1] | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |
| FC Futwa[1] | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |
| S Mayet[1,3] | – | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |
| CD Raphiri[1,4] | – | – | – | – | ✓ | ✓ | × |
| BW Strong | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |
| JJ Snyman | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |
| AJ Phillips[5] | ✓ | – | – | – | – | – | – |

1. *Independent Non-executive Directors.*
2. *Strategy session.*
3. *S Mayet was appointed effective 10 April 2025.*
4. *CD Raphiri was appointed effective 15 September 2025.*
5. *AJ Phillips retired effective 29 May 2025.*

* *There was only one special meeting held in addition to the scheduled meetings. Board fees were paid to the Board members for the special meeting.*

✓ *Attended.*

× *Apology.*

– *Not appointed as a director (either resigned or still to be appointed).*

## Committees

The Board has delegated some of its responsibilities to its committees to assist in the execution of its duties. The Board has established three committees to assist it in fulfilling its duties and responsibilities more effectively.

In accordance with the recommended practice of King IV™, several Directors serve on multiple committees. The Board is satisfied that there is appropriate cross-membership among its committees to promote effective communication between committees, to minimise fragmented functioning and to ensure a balanced distribution of power across committees, so that no single individual has unfettered control or the ability to dominate decision-making, and that no undue reliance is placed on any single individual.

### 1. Audit and Risk Committee

The Audit and Risk Committee consists of entirely Independent Non-executive Directors as envisaged in the Companies Act, King IV™ and the JSE Listings Requirements. The members of the Audit and Risk Committee are appointed at each AGM of the company, in accordance with and subject to the requirements and criteria as set out in section 94(2). All the members of the Audit and Risk Committee have the prescribed academic qualifications and experience. The committee is adequately structured in accordance with these requirements as follows:

| | | |
|---|---|---|
| S Mayet | **Chair, Independent Non-executive Director** | CA(SA) |
| DG Wilson | **Member, Independent Non-executive Director** | CA(SA) |
| FC Futwa | **Member, Independent Non-executive Director** | CA(SA) |

The Chairman of the Board is not a member of the committee and attends only via invitation.

The Audit and Risk Committee held four structured, formal committee meetings during the financial year. The table below sets out the attendance by the committee members:

| Director | 4 March 2025 | 3 June 2025 | 29 July 2025 | 3 November 2025 |
|---|---|---|---|---|
| S Mayet[1] | – | – | ✓ | ✓ |
| PCS Luthuli[2] | ✓ | ✓ | – | – |
| DG Wilson | ✓ | ✓ | ✓ | ✓ |
| FC Futwa | ✓ | ✓ | ✓ | ✓ |

1. *S Mayet was appointed at the AGM held on 5 June 2025.*
2. *PCS Luthuli stepped down as chair and member at the AGM on 5 June 2025.*

### 2. Social and Ethics Committee

The Social and Ethics Committee is a statutory committee of the Board appointed in terms of the Companies Amendment Act, King IV™ and JSE requirements. The members of the Social and Ethics Committee are appointed at each AGM of the company in accordance with section 72(9A) of the Companies Act, 2004. The role of the Social and Ethics Committee is to assist the Board with the oversight of social and ethical matters relating to the Group. The composition of the committee satisfies the requirements of section 72(7A) of the Companies Amendment Act and, in addition, meets the requirements of King IV™, namely that the majority of members must be directors who are not involved in the day-to-day management of the business of the company and must not have been so involved at any time during the previous three financial years. The committee is adequately structured in accordance with these requirements as follows:

| | | |
|---|---|---|
| M Makanjee | Chair | **Independent Non-executive Director** |
| ABA Conrad | Member | **Independent Non-executive Director** |
| FC Futwa | Member | **Independent Non-executive Director** |
| BW Strong | Member | **Executive Director** |

The Social and Ethics Committee met four times during the financial year. The table below sets out the attendance by the committee members:

| Director | 4 March 2025 | 3 June 2025 | 29 July 2025 | 3 November 2025 |
|---|---|---|---|---|
| M Makanjee | ✓ | ✓ | ✓ | ✓ |
| ABA Conrad | ✓ | ✓ | ✓ | ✓ |
| FC Futwa[1] | – | – | ✓ | ✓ |
| BW Strong | ✓ | ✓ | ✓ | ✓ |

1. *FC Futwa was appointed as a member at the AGM held on 5 June 2025.*

# Corporate Governance Report *(continued)*

## 3. Remuneration and Nomination Committee

The Remuneration and Nomination Committee consists entirely of Independent Non-executive Directors as shown below.

| | | |
|---|---|---|
| DG Wilson | Chair (Remuneration) | **Independent Non-executive Director** |
| PCS Luthuli | Chair (Nomination) | **Independent Non-executive Director** |
| M Makanjee | Member | **Independent Non-executive Director** |
| ABA Conrad | Member | **Independent Non-executive Director** |

*Remuneration and Nomination Committee*

The Remuneration and Nomination Committee held four formal, structured meetings during the financial year. The table below sets out the attendance by the committee members:

| Director | 4 March 2025 | 3 June 2025 | 29 July 2025 | 3 November 2025 |
|---|---|---|---|---|
| DG Wilson | ✓ | ✓ | ✓ | ✓ |
| PCS Luthuli | ✓ | ✓ | ✓ | ✓ |
| M Makanjee | ✓ | ✓ | ✓ | ✓ |
| ABA Conrad[1] | – | – | ✓ | ✓ |
| AJ Phillips[2] | ✓ | – | – | – |

1. *ABA Conrad was appointed as a member at the AGM held on 5 June 2025.*
2. *AJ Phillips retired on 29 May 2025.*

## Appointments to the Board

Directors are appointed through a formal and transparent process, which includes the screening and identification of suitable candidates as well as performance and background checks, interviews and fit and proper assessments. Directors are nominated based on their calibre, knowledge, experience and the impact they are expected to have, as well as the time and attention they can devote to their roles. Proposals for election/re-election to the Board are recommended by the Nomination Committee and are considered by the Board as a whole, subject to the approval/ratification thereof by the shareholders at the first subsequent general meeting or the AGM following their appointment to the Board. Director appointments are formalised through an agreed contract of service between the company and the Director. The Nomination Committee regularly reviews the balance of skills and experience of the Board and its committees.

New Directors are taken through a formal induction programme and are provided with all the necessary background and information to familiarise them with issues affecting the Board and the Group. Non-executive Directors are invited to visit Mpact facilities to assist in fast-tracking their orientation process. Non-executive Directors are required to dedicate sufficient time to Mpact Board matters. They may serve on other boards, provided that such other appointments do not create a conflict of interest or interfere with their duties to the Mpact Board, but rather afford the ability to add value by bringing a broader perspective to Board deliberations.

## Board diversity

The Board recognises the benefits arising from diversifying, including a broader pool of high-quality Directors and accessing different perspectives and ideas from all available talent. In accordance with the JSE Listings Requirements, the Board approved a Diversity and Inclusivity Policy available on the company's website: **www.mpact.co.za**, which proclaims the Board's values and principles, specifically focusing on the promotion of the diversity attributes of gender, race, culture, age, field of knowledge, skills and experience. A breakdown of these diversity attributes is depicted on **page 11**. Accordingly, when Board vacancies arise, potential candidates are considered on merit against objective criteria and with due regard for the benefits of gender and race diversity, as well as levels of skill, acumen, qualifications, age, culture, experience, ethical behaviours and actual or potential contributions to the Group to ensure that the composition of the Board and its committees are appropriately balanced and diverse.

The Board has maintained its objective of one-third women on the Board and increased its race representation of Black people on the Board to 67%. The Board remains committed to promoting and maintaining diversity in its membership. The Nomination Committee will continue to monitor performance in relation to this target and will recommend any changes to this target to the Board for approval, as and when required.

## Succession planning

The Nomination Committee reviews the succession plan for the CEO, Exco and other senior managers during the year and reports its recommendations to the Board. The Board further reviews the status of the Non-executive Directors' succession plan to ensure that it considers the challenges of a constantly evolving business environment.

## Rotation of Directors

In terms of the MOI, at least one-third of the Directors (other than the Executive Directors) retire by rotation and, if eligible, their names are submitted for re-election at the AGM, accompanied by appropriate biographical details set out in the report to shareholders. Each director due to retire by rotation complies with the fit and proper assessment requirements and is accordingly eligible for nomination for re-election at the AGM.

The Board upon the recommendation from the Nomination Committee, considered the independence and performance of each Director due for election and re-election at the AGM and makes an appropriate recommendation to shareholders in this regard.

## Board and committee effectiveness evaluation

An external evaluation of the Board and its sub-committees was completed in March 2025. Drivers of Board effectiveness include Board composition, Board dynamics and culture, Board Chairman effectiveness and efficiency of core Board processes, as well as the performance of the Board committees and the Group Company Secretary.

All areas of improvement were incorporated in the Board's and committees' forward plans.

The Executive Directors' performance, in relation to key performance areas, are assessed annually in accordance with the Group's standard performance assessment.

## Strategic planning

The Executive Directors who are also members of the Exco, namely BW Strong and JJ Snyman, are involved in the day-to-day business activities of the Group. The Board defines the Group's level of authority, reserving powers for the Board while delegating others to management. The Exco formulates a strategy, which is reviewed and approved by the Board. The Board monitors the implementation of the strategy and is responsible to the shareholders and other stakeholders for setting the strategic direction of the Group. The Board meets with management at least annually to debate and agree on the proposed strategy and to consider long-term issues facing the Group as well as the changing environment in which it operates.

## Conflict of interest

The Board, subsidiary Directors and Prescribed Officers are required to disclose their personal financial interests and interests in contracts in terms of section 75(4) of the Companies Act. The Group ensures that Directors and Prescribed Officers are free of any conflicts between the obligations they have to the company and their private interests. Directors are required to disclose any potential conflicts at quarterly meetings and as and when necessary to the Group Company Secretary. Directors do not vote on any matter in which they have an interest, and they are recused from any meeting and/or decision when such matters are discussed.

## Share dealings

The Group has adopted a share dealing policy requiring all Directors, management and the Group Company Secretary to obtain prior written clearance through the Group Company Secretary from either the Chairman or the CEO to deal in the company's shares. Closed periods (as defined in the JSE Listings Requirements) are observed as required. During these periods, the Directors, management and employees are not permitted to deal in the company's securities. Additional closed periods are enforced when the Group commences with a corporate activity and where a cautionary announcement (as defined in the JSE Listings Requirements) is published.

## Legal compliance

The Board oversees compliance with its approved framework to support an effective control environment, in accordance with good governance. The compliance framework has been incorporated into Mpact's Enterprise Risk Management Framework. The Audit and Risk Committee is responsible for continual monitoring of the regulatory environment and appropriate responses to changes and developments that impact the Group and reporting on any significant changes to the Board. The Group Company Secretary, together with the internal audit function, the Group Legal Advisor and the risk management function, assist the Board in ensuring that there are appropriate processes in place with respect to legal compliance.

The Group subscribes to various legal registers which cover all essential components of applicable laws, adopted industry rules, codes and standards. Significant legal and corporate governance developments affecting Mpact are monitored and reviewed by the Audit and Risk Committee and the Board. There were no material or repeated regulatory penalties, sanctions or fines for contraventions of statutory obligations in the 2025 financial year.

## Taxation

Mpact aims to manage its tax affairs in accordance with applicable national legislative provisions and within the guidelines set out by the Organisation for Economic Co-operation and Development (OECD).

The business structures its operations tax efficiently and takes advantage of available incentives provided by governments for eligible capital investments, R&D and similar expenditure.

We have a dedicated and centralised Group Tax function that takes day-to-day responsibility for management of the Group's tax affairs. In addition, we seek regular professional advice to ensure compliance with tax legislation, disclosure requirements and best practice.

Tax risks are monitored on a continuous basis and are formally reviewed on a half-yearly basis by the Audit and Risk Committee as part of our half-yearly reporting process. The Board formally reviews tax management activities on an annual basis.

# Corporate Governance Report *(continued)*

The Group is subject to routine tax audits and reviews. Where necessary, provision is made for known issues and the expected outcomes of any negotiations or settlements.

## Company Secretary

The Directors have access to the professional advice and services of the Company Secretary. The Company Secretary provides the Directors of Mpact, both collectively and individually, with guidance on their duties, responsibilities and powers, and provides guidance and advice to the Board on matters of ethics and good corporate governance. The Company Secretary plays a pivotal role in ensuring that Board procedures are both followed and regularly reviewed, and ensures that, in accordance with pertinent laws, the proceedings and affairs of the Board and the company are properly administered. The Chairman and the Board look to the Company Secretary for guidance on what their responsibilities are under the rules and regulations to which they are subject, and how these responsibilities should be discharged. Donna Maree Dickson resigned as the Company Secretary with effect from 31 January 2026. Following her resignation, CorpStat Governance Services Proprietary Limited was appointed Acting Company Secretary until a permanent candidate is identified and appointed.

The Company Secretary is independent, has unrestricted access to the Board, and maintains an arm's-length relationship at all times. The Board is satisfied that the Company Secretary is fit and proper, and has the necessary qualifications, skills and level of competence for the effective discharge of the required responsibilities.

## Internal control systems

Mpact's internal controls encompass a set of rules, policies and procedures that are implemented to provide reliable financial and operational reports and to ensure that the Group's activities comply with applicable laws and regulations. The control environment sets the foundation and provides the discipline and structure upon which Mpact operates.

These controls are designed to address significant risks and material matters effectively. Internal Audit supports the Mpact Board and management to execute their mandate by providing independent objective assurance of these controls to enhance governance processes. The Audit and Risk Committee receives regular reports on any identified control weaknesses.

The Chief Audit Executive of the internal audit function provided an assessment of the internal controls for the financial year ending 31 December 2025 based on the reviews completed for 2025. The following was considered in the assessment of the internal control environment:

- the extent of the approved coverage within the ambit of the organisation's entire assurance universe;
- the scope of work, the approach followed, representations and information provided by management and the results reported, subject to the limitations of coverage and sampling; and
- the actions taken by management to address findings reported.

Based on the results of the Internal Audit work performed, subject to the limitations of coverage, scope areas and sampling, Internal Audit concluded that overall, the internal controls are acceptable.

## Stakeholders

Mpact promotes an inclusive approach to governance and takes account of the impact of the company's operations on internal and external stakeholders. The Group's approach to corporate governance is based on good communication and is integrated into every aspect of the business. Mpact's primary stakeholders as well as the engagement with them are detailed on @ **pages 33 to 35** of the Sustainability Report.

## Sustainability

The Group's approach to sustainability and assessing its influence and impact on the environment, and the communities in which it operates, are foremost in mind when conducting business and considering and making investments. Managing a sustainable business requires the integration of the business capitals. Mpact's operating and business model, together with the inputs and outputs of each of the capitals, are illustrated on @ **pages 8 and 9** of this Integrated Report.

The Group remains committed to sustainable development in each of its businesses and adopts leading industry health and safety standards; obtains responsibly sourced raw materials; and ensures the businesses constantly seek to reduce their environmental impact. Safety, Health and Environmental performance targets have been set as described in the Sustainability Report.

Mpact's Sustainability Report is available on the website: **www.mpact.co.za**.

## Fraud and illegal acts

The Group does not tolerate fraudulent behaviour and illegal acts. An anonymous whistle-blowing facility administered by Deloitte is in place. The Audit and Risk Committee records, monitors and investigates incidents reported on the facility on a confidential basis and all material matters are escalated. The Code of Ethics, as well as the Supplier Code of Conduct, outline Mpact's norms and expected behaviours when dealing with fraud. The Group and its employees are committed to the highest ethical standards of conduct. The code is available on the company's website.

## Information and communication technology governance

The Board has approved an ICT governance policy and ensures adherence to the King IV™ ICT governance principles. The ICT Steering Committee, chaired by the CEO, provides assurance to the Board on ICT governance-related matters. The committee is governed by an effective charter, which gives guidance to the ICT management team and ensures effective and efficient management of all ICT resources. Furthermore, a quarterly report is submitted to the Audit and Risk Committee on all key ICT-related matters.

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 have been identified and incorporated into the organisational risk register.

An external ICT advisor provides the Board with assurance on the effectiveness of ICT internal controls including outsourced ICT services. In addition, the ICT advisor is required to attend 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 determine improvement and opportunities for further development in ICT. This is reported on by the advisor to the Audit and Risk Committee.

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

Key actions in place to mitigate the risks include:

- an increased focus on information and technology risk management;
- the Group ICT department working closely alongside our business clusters to deliver on our technology journey;
- strengthening our second line of defence oversight on ICT risks and performing Group internal audits as a third line of defence; and
- performing reviews and monitoring to ensure appropriate frameworks, procedures, structures and governance are in place for the consolidation, monitoring, management and reporting of ICT risks and exposures on a Group basis (e.g., cyber threats, and other regulatory risks).

## AGM

All the necessary information and facilities are made available to shareholders to enable them to attend the AGM, submit forms of proxy and receive announcements and circulars in accordance with the JSE Listings Requirements. The Chairman of the Board, Chairs of the committees and the external auditor are available to answer questions at the AGM, which will be held on 4 June 2026.

*Paper Converting*

# Risk Management

**Risk management is crucial for our governance framework and supports the continued ability of the Group to create value and sustainable benefits for all stakeholders. The Board considers the material business risks when approving strategies and budgets. The Risk Management Committee identifies and evaluates strategic and operational risks faced by the business.**

Mpact has policies and procedures in place to manage its governance, operations and information systems regarding the:
- reliability, security and integrity of financial and operational information;
- effectiveness and efficiency of operations;
- safeguarding of people and assets;
- reduction of our environmental footprint; and
- compliance with laws, regulations and contracts.

In these, ESG considerations, including climate change, are addressed in the risk register.

Risk assurance is considered at managerial (level 1), corporate function (level 2) and external (level 3) levels by both the Risk Management Committee and the Audit and Risk Committee for reporting to the Board. Risks are reviewed and updated regularly, with our principal risks outlined in the table on @ pages 70 to 73.

## Enterprise Risk Management Policy and Framework

Mpact has a well-defined Risk Management Framework accompanied by the Risk Management Guideline that sets out the approach to risk and aligns with the principles of King IV™ and the ISO35000 Risk Management Standard. This structure is also addressed in the Governance section of the Integrated Report on @ pages 59 to 62. This provides a structured and systematic approach to managing our most material risks and addressing the material interests of our stakeholders.

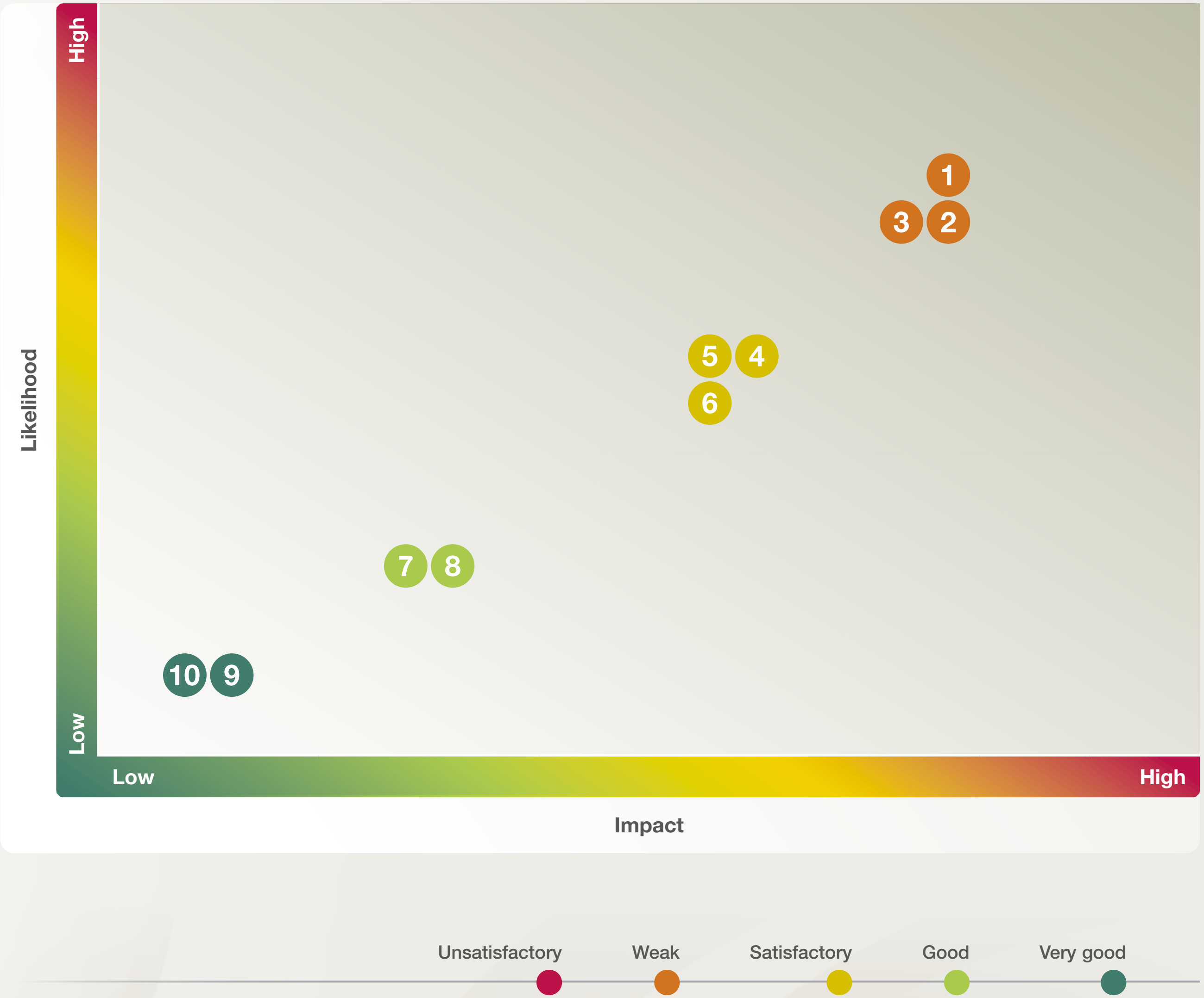
In line with our decentralised structures, risk assessment and management processes enable each business within the Group to take responsibility for managing its own risks – this also encourages proactive action by the business units when faced with risks and opportunities. Divisional Risk Registers have been developed, and the risk parameters are escalated to the Group Risk Register as appropriate considering the Group appetite and tolerance levels.

The Executive Committee, through the Risk Management Committee, is accountable to the Audit and Risk Committee for risk management. The Audit and Risk Committee advises the Board, which retains fiduciary oversight of risk management.

## Our principal risks

Ten principal risks, and their mitigation plans, have been identified by the Group. These risks were considered by the Audit and Risk Committee on 3 March 2026. Opportunities arising from risks, as well as emerging risks are also discussed below.

Risks, including opportunities, relating specifically to the Paper and Plastics businesses are discussed on @ pages 38, 39, 43 and 44 of this Report.




## Risk heat map of material residual risks

1. Trading environment
2. Service delivery interruptions
3. Social polarity leading to unrest
4. Workforce cost and stability
5. Compliance with increasing legislation
6. Public resistance to the use of plastics
7. Safety in the workplace
8. System failures
9. Climate change risks
10. Reputational damage

# Risk Management *(continued)*

| # | Rating | Risk | Mitigation |
|---|---|---|---|
| 1. | | **Trading environment**<br>Subdued economic growth and increasing competition as well as prolonged shortages, and increased costs, of key raw materials could lead to loss of production, changes to product offerings and/or higher costs. 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. | • Maintaining our leading market position by supplying quality products and services through:<br>– Process and product innovations improve efficiencies, reduce manufacturing costs, such that we offer our markets better, lower cost and impactful product.<br>– Long-term agreements with key customers and suppliers supported by active customer service.<br>– Proactive management of costs.<br>– Product assurance, against international standards for quality, environment and food safety.<br>• The Group actively manages supply chain logistics to contain costs and service delivery standards.<br>• Mpact has retained its market position as the leading paper recycler in South Africa.<br>• The Group engages with national and local Government to influence policy and secure access to recyclable paper and plastic.<br>• Mpact has rolled out solar PV and generator capacity and pursues other alternative energy and water sources to reduce the impact of energy and water costs and supply uncertainties.<br>• Mpact is responding proactively to the effects of the current Middle East conflict 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. |
| | | Significant overcapacity in the global cartonboard market, and the current value of the rand, has led to a decline in demand for Springs mill's products and in January 2026, the mill's largest customer notified Mpact that it will no longer procure its cartonboard requirements through the mill and will instead procure through imports going forward. | • Rationalisation of operations such as the contemplated discontinuation of the BM6 and BM3 cartonboard machines at the Springs paper mill. |
| 2. | | **Service delivery interruptions**<br>Unreliable supply and higher costs of energy, as experienced through load shedding and municipal infrastructure failure, leading to a loss of production and increased costs.<br><br>Sasol has announced that natural gas supplies will end in July 2027 with a possible deferment to July 2028.<br><br>Unreliable supply and deteriorating quality of water could lead to a loss of production and disease outbreaks. | • Mpact has installed 17.7MWp of solar PV with a further 4.5MWp in the development pipeline.<br>• Mpact wheels 27MWh of green electricity from a sugar mill and is in the process of finalising an agreement to wheel solar energy to Mpact plants that is expected to come online in 2027.<br>• Mpact continues to monitor the impact of the ongoing international conflicts on energy prices and supply.<br>• Mpact is engaging with various bodies to find alternative natural gas supplies.<br>• There is ongoing communication with Eskom and municipalities to keep abreast of electricity distribution issues.<br>• A national electricity blackout response plan is in place.<br>• Mpact can recover increased energy costs except for products competing with international suppliers.<br>• Reduction in water consumption and electricity usage are key performance indicators and investment drivers in our manufacturing operations. |

Increased risk | Stable risk | Decreasing risk

Unsatisfactory | Weak | Satisfactory | Good | Very good

| # | Rating | Risk | Mitigation |
| --- | --- | --- | --- |
| | | **Service delivery interruptions** *(continued)*<br>Logistics interruptions due to rail, harbour and trucking inefficiencies and disruptions resulting in increasing business interruptions and costs.<br><br>Protest action interfering with service provision. | • Mpact liaises closely with the trucking industry and monitors the railways and harbours.<br>• Moves by Transnet to create private partnerships in rail and port operations is welcomed. |
| 3. | Weak, stable risk, Weak | **Social polarity leading to unrest**<br>High unemployment rates, socio-political and economic uncertainty, as well as service delivery protests that have led to outbreaks of violence that pose a threat to the business both physically and economically. As the country approaches municipal election in late 2026 or early 2027, Mpact will monitor the risk of politically motivated unrest closely. | • Mpact has implemented various policies such as the Group Transformation Policy, Diversity and Inclusivity Policy, Code of Ethics, Fair Employment Policy and Promotions Philosophy to ensure equitable and transparent employment practices.<br>• Other activities include community engagement, CSI programmes, and small business and entrepreneurship development.<br>• Mpact actively engages with unions, traditional leaders, community forums and the communities in which we operate.<br>• Mpact has security and emergency response standards in place.<br>• Mpact has both SASRIA and Riot Wrap insurance to cover damages and business interruption losses due to unrest. |
| 4. | Satisfactory, stable risk, Satisfactory | **Workforce cost and stability**<br>Strikes and labour cost increases above inflation could lead to a loss of productivity and competitiveness.<br><br>Loss of key skills and institutional knowledge due to emigration and employees seeking better prospects elsewhere. | • Mpact upholds fair labour practices for employment equity, recruitment, labour interactions, training, bursaries for employees and their children, skills retention and succession planning, as well as adherence to excellent health and safety standards.<br>• Incentive programmes are in place to retain key staff.<br>• Internships are offered in various fields across the business to attract young talent. |
| 5. | Satisfactory, stable risk, Satisfactory | **Compliance with increasing legislation**<br>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.<br><br>Mpact operates several industrial sites across the country, some of which have been in operation for many decades and include 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 in Mpact.<br>• Mpact also retains experts in, and legal registers of, relevant disciplines supported by rigorous audits.<br>• The Group contributes to the development of legislation by engaging with the Government via industry bodies.<br>• International management standards such as ISO14001 (environmental) and FSC (wood fibre) are implemented and, for material operations, certificated with the backing of rigorous external environmental legal audits.<br>• Mpact Operations achieved a Level 1 B-BBEE certification.<br>• The impact of the EPR regulation, Sugar Tax and Carbon Tax are understood, compliance standards and mitigations are in place. |

# Risk Management *(continued)*

| # | Rating | Risk | Mitigation |
|---|---|---|---|
| 6. | | **Public resistance to the use of plastics**<br>There is public concern related to food safety and plastic pollution posing a risk to our FMCG businesses. | • Mpact is actively generating customer and public awareness through demonstrating circular economy principles by recycling both paper and plastic materials.<br>• Our Paper Converting business manufactures a variety of paper products such as shopping bags, disposable cup lids, grape bags and cardboard trays products to replace plastic products. |
| 7. | | **Safety in the workplace**<br>Injuries from workplace accidents could affect the well-being of employees and contractors leading to loss of skills, reduced production, lower morale and reputational damage. | • Senior management demonstrates a primary focus on safety through the CEO's Safety Philosophy and the SHE Policy and gives direction through the annual Safety Plan and quarterly SHE Management Committee meetings.<br>• Operational management reinforces this by ensuring effective safety standards and procedures are in place and through adherence to the Safety Plan.<br>• The Safety Culture Leadership programme, and Leading Indicator metrics, emphasise a leadership-driven, people-centric approach to safety.<br>• A 24/7 call centre Employee Wellness Programme assists employees dealing with high-stress factors in their lives. |
| 8. | | **System failures**<br>Catastrophic systems failure, fires, floods, bad debts, ICT system failure, and breaches of ICT security or plant perimeter security could lead to prolonged production and distribution interruptions, as well as increased costs of working and capital replacement costs. | • The Mpact Risk Control Standards provide guidelines on safety, fire protection, security, emergency preparedness and environmental management.<br>• Mpact is improving security with measures such as camera systems with artificial intelligence features including facial recognition and perimeter monitoring.<br>• The Group adopts the best appropriate ICT security standards guided by a cyber-security consultant.<br>• Business continuity plans are in place at various levels across the Group.<br>• Debtors and bad debt, loan facility provisions, working capital and cash flow are managed and reviewed proactively.<br>• Mpact has a comprehensive suite of insurance to cover plant damages and business interruption due to fire and other catastrophic events.<br>• A project risk management process is in place and includes consideration of: exchange rate fluctuations, market demand and price, local community engagement, legislative requirements such as EIAs, and technical risks. |
| | | Major failure/breakdown of critical equipment could cause prolonged loss of production and increased costs. | • Operations have formal planned maintenance programmes.<br>• A programme of plant and equipment upgrades has improved the overall reliability of operations.<br>• Machinery breakdown insurance cover on critical plant and equipment is in place.<br>• Independent machinery maintenance audits now form part of our suite of insurance-related reviews. |

Increased risk | Stable risk | Decreasing risk

Unsatisfactory | Weak | Satisfactory | Good | Very good

| # | Rating | Risk | Mitigation |
|---|---|---|---|
| 9. | Very good ▷ Very good | **Climate change risks**<br>Climate change leading to extreme weather events and changing temperature and rainfall patterns could affect Mpact's operations directly and impact our customers, mainly in the agricultural sector, and supply chains. | • Mpact has an active programme in place to reduce energy consumption and thereby Scope 1 and Scope 2 $CO_2e$ emissions, and has started monitoring Scope 3 emissions in our supply chain.<br>• Business continuity plans are in place at various levels across the Group.<br>• Mpact liaises closely with customers and industry bodies regarding the impact of climate on agriculture and the adaptations farmers require to prepare for climate change.<br>• Mpact has developed innovation capacity to adapt quickly to meet customers' changing needs and seek access to alternative markets.<br>• Mpact has also prepared for new growth in the Eastern Cape and Mpumalanga fruit markets through rebuilds at Paper Converting Gqeberha and Mbombela plants, as well as the Mkhondo paper mill. |
| 10. | Very good ▷ Very good | **Reputational damage**<br>Damage to Mpact's reputation could arise from public perceptions regarding certain products, false news, or ethical issues arising within the Group. | • Mpact monitors public opinion regarding its products, and responds with accurate information.<br>• Mpact has focused on incorporating circular economy principles in its business model and is the largest recycler in South Africa.<br>• A comprehensive Code of Ethics guides ethical standards in Mpact.<br>• Sites that supply food contact packaging are certificated to international food safety standards. Mpact also operates a highly skilled and equipped food safety research laboratory.<br>• Mpact works closely with industry bodies to align with best practices.<br>• Mpact has developed a legal Compliance Risk Control Framework. |

# Risk Management *(continued)*

## Risks arising from other matters

As disclosed in prior years, given the impasse with Mpact's major shareholder, Mpact Limited's Non-executive Directors were appointed to the Board of Mpact Operations to ensure that they were remunerated for services legitimately rendered to Mpact Operations, whilst receiving no remuneration in respect of their services to Mpact.

The company is pleased to report that this arrangement is no longer necessary. At the AGM held on 5 June 2025, all remuneration resolutions were passed, including the Companies Act special resolution relating to Non-executive Directors' fees, each having received the requisite level of shareholder approval. As a consequence, the Non-executive Directors are remunerated directly by Mpact for their services rendered to the company, and the Non-executive Directors accordingly resigned from the Board of Mpact Operations with effect from 1 July 2025.

The Board considers this a constructive resolution of the previous impasse and represents a return to a simplified governance structure in which the Non-executive Directors serve on the Board of Mpact and are able to be remunerated by Mpact in respect of their services to Mpact. The Board is satisfied that sound governance and the interests of all shareholders of Mpact continue to be appropriately protected.

## Emerging risks

Mpact, faced a complex and evolving risk landscape in 2025. Key risks stem from geopolitical tensions, domestic economic instability, policy changes, and operational challenges in logistics and energy supply. Most of these risks are captured in the risk register while emerging risks that could impact Mpact's operations and strategic outlook are being monitored. These include:

### 1. Geopolitical and Trade Risks

a. The escalation of the Iran conflict presents external risks to Mpact, primarily through elevated energy, logistics and input-cost pressures rather than immediate operational disruption.
b. US Trade Policy, AGOA uncertainty and risk of increased tariffs: The US administration's review of AGOA puts South African exports at risk. If South Africa is excluded, Mpact's packaging products serving export-oriented industries (e.g., agriculture and automotive) could face decreased demand. Furthermore, increased tariffs from the US on South Africa may risk straining trade relations and reducing export competitiveness.
c. US-China trade tensions: Increased tariffs on Chinese imports could impact global trade flows, indirectly affecting raw material costs and market access for South African manufacturers.
d. Regional instability in Africa: Increased protests and coups in Africa could disrupt cross-border trade and increase operational risks in export markets.

### 2. Domestic Economic and Political Risks

a. Expropriation Act and Property Rights: The recently signed Expropriation Act introduces uncertainty regarding property rights, which could deter long-term investments in Mpact's facilities and infrastructure.
b. Government of National Unity (GNU) uncertainty: Internal conflicts within the ANC and potential GNU instability may lead to unpredictable regulatory and economic policies.
c. Upcoming local government elections: May lead to service delivery issues.

### 3. Logistics and Infrastructure Risks

a. Transnet's performance issues: Despite some improvements, inefficiencies in South Africa's rail and port networks continue to hamper supply chain reliability. This impacts Mpact's ability to receive raw materials and export finished goods.
b. Steel industry decline: The closure of ArcelorMittal South Africa's long steel plants may affect the cost of capital investment projects.

**With these challenges in 2025, Mpact is committed to proactive risk management, strategic adaptation, and investment in resilience-building initiatives that are critical to sustaining long-term growth and operational stability.**

# Remuneration Committee Report

"Last November, Board members engaged with shareholders on inter alia the Remuneration Policy and the Implementation Report. These engagements were fruitful and resulted in an improved understanding of shareholders' views. Further interaction prior to the AGM would be of great value to both parties."

**Don Wilson**
*Chair, Remuneration Committee*

**In accordance with the requirements of King IV™, the Remuneration Report is divided into three parts consisting of:**

## Part 1: Background Statement

This section provides insight around how remuneration decisions were influenced by the performance of the Group.

## Part 2: The Remuneration Policy

This section is forward-looking, providing an overview of our remuneration philosophy and the Remuneration Policy that will be applicable for 2026.

## Part 3: The Implementation Policy

This section is backward-looking, focusing on executive remuneration and performance outcomes based on the Remuneration Policy for 2025.

# Remuneration Committee Report *(continued)*

## Part 1: Background Statement

Mpact's Remuneration Policy has a direct impact on operational expenditure, company culture, employee behaviour and, with the correct strategic alignment, the company's sustainability. As such it is clearly defined, monitored and managed to ensure sustained validity and effectiveness. Remuneration is a business issue, not only a human resources issue. In addition, given the growth potential of our business, we also need to ensure our reward practices are aligned with the delivery of desired results and value creation over time.

Responsibility for the Remuneration Policy rests with the Remuneration Committee appointed annually by the Mpact Board of Directors.

| | Remuneration Committee |
|---|---|
| Chairman | Donald Wilson[1] |
| Members | Anthony Phillips[2], Sibusiso Luthuli, Maya Makanjee, and Alethea Conrad[3] |
| Independence | All committee members are Independent Non-executive Directors |
| Role and function | The committee considers the Remuneration Policy of the Group with the assistance and guidance of independent experts, if required, and makes recommendations to the Board on all aspects and levels of remuneration. The committee further ensures that the Executive Directors, Prescribed Officers and senior managers are fairly rewarded for their individual contributions to the Group's overall performance. The committee also considers bonuses, which are discretionary and based upon general economic variables, the performance of the Group and the individual's performance, share awards and certain other employee benefits and schemes. No remuneration of any nature shall be paid, increased or varied to any Director without the prior approval of the members of the committee. |
| Responsibilities | • Assisting the Board by setting and administering remuneration policies in the Group's long-term interests, and ensuring, through an ongoing review of the Remuneration Policy for both appropriateness and relevance, the Group remunerates fairly and responsibly.<br>• Being especially concerned with and providing recommendations regarding the remuneration of both Executive and Non-executive Directors, with due regard to applicable legal and regulatory requirements.<br>• Determining, within the terms of the agreed policy, the total individual remuneration package of the Executive Directors, Prescribed Officers and senior managers and any other executive whose total remuneration is comparable to, or higher than, that of an Exco member.<br>• Ensuring that individuals are provided with appropriate incentives to encourage enhanced performance and are, in a fair and responsible manner, rewarded for their individual contributions to Mpact's success.<br>• Review and recommend salary and wage mandates on an annual basis.<br>• Approving the design of and determining targets for any performance-related pay schemes in which the Executive Directors, Prescribed Officers and senior managers and other members of the senior management population participate.<br>• Determining the design of and targets for such schemes by taking into account all factors it deems necessary, including performance-related pay schemes, and regularly reviewing incentive schemes to ensure the continued contribution to shareholder value.<br>• Reviewing the design of all executive and all employee share plans for approval by the Board and shareholders, if required.<br>• Being responsible for establishing the selection criteria, selecting, appointing and setting the terms of reference for any remuneration consultants who advise the committee.<br>• Ensuring, in determining Remuneration Policy, specifically the contractual terms on termination of Executive Directors, Prescribed Officers and senior managers, and any payments made, are fair to the individual and Mpact. |
| Assurance | The committee is governed by formal Terms of Reference. The committee confirmed that they diligently exercised their duties of care and skill and they have taken reasonable steps to ensure that their duties were performed in accordance with their mandate. |

1. *Appointed on 5 June 2025.*
2. *Retired on 29 May 2025.*
3. *Appointed on 5 June 2025.*

## Meetings held during 2025

| Committee members | 4 March 2025 | 3 June 2025 | 29 July 2025 | 3 November 2025 |
|---|---|---|---|---|
| Sibusiso Luthuli | ✓ | ✓ | ✓ | ✓ |
| Maya Makanjee | ✓ | ✓ | ✓ | ✓ |
| Donald Wilson | ✓ | ✓ | ✓ | ✓ |
| Alethea Conrad[1] | – | – | ✓ | ✓ |
| Anthony Phillips[2] | ✓ | – | – | – |

1. *Appointed on 5 June 2025.*
2. *Retired on 29 May 2025.*

The CEO, CFO, Group HR Manager, Group Financial Controller and external remuneration experts were invited to committee meetings only in the event they were requested by the committee to present specific items, and were excused thereafter.

## Activities undertaken by the committee during the year

The committee reviewed and approved:

- the remuneration packages and structure of Executive Directors, Prescribed Officers and senior management to ensure that they are competitive in the relevant market and are aligned with shareholders' interest as well as with the Group's strategy;
- the introduction of the 2025 Share Plan, including the use of forfeitable shares;
- the Exco's achievement against agreed key performance areas (KPAs) and STI targets for 2024;
- the Exco's KPAs and STI targets for 2025, considering prevailing market conditions and the company's strategic objectives, among other factors;
- the 2025 LTI awards and related conditions for vesting in March 2028;
- the vesting of the conditional 2022 LTI awards which vested in qualifying participants on 31 March 2025;
- mandates for wage negotiations and salary increases, taking the prevailing economic conditions and Group performance into consideration. Both mandates were recommended to and approved by the Board;
- the unwinding of the dual board structure after the 2025 AGM; and
- the Non-executive Directors' fees tabled for approval at the 2025 AGM.

RemChannel benchmarked the Total Guaranteed Cost of Employment (TGCOE) packages in 2021 in respect of Mpact's Executive Directors, Prescribed Officers and senior management. The conclusion of the exercise was that the Executive Directors, Prescribed Officers and senior management team of Mpact are positioned fairly, with a few exceptions due primarily to length of service. BDO Corporate Finance (Pty) Ltd verified that the correct number of shares vested in March 2025 in respect of the LTI awards granted in 2022 in terms of Mpact's Bonus Share Plan (BSP) and Performance Share Plan (PSP).

Other key activities undertaken during the year included:

- implementation of the revised Remuneration Policy which includes several updates in respect of variable pay. Details are included in the Remuneration Policy section of this report;
- addressed the issues arising from the review of the Mpact Incentive Scheme by Bowmans, who are external remuneration experts, with a view to aligning with industry best practice and addressing shareholder concerns. The committee is of the opinion that the remuneration advice was independent and objective;
- oversight of the activities of the Mpact Incentive Scheme Trust on behalf of the Board and the implementation of the Standard Bank share scheme escrow arrangement;
- reviewing the senior leadership development programme which aims to empower executives with management expertise and cross-functional perspective to drive performance across domains, industries and borders;
- ensuring employees have opportunities to develop themselves through a combination of structured development centres, accredited management development programmes, access to study assistance as well as in-house and external training programmes; and
- continued focus on the results of the gender and pay parity review, considering reporting standards, appropriate ratios and co-efficients, current disclosure, and national and global best practice.

The committee is satisfied that the Remuneration Policy achieved its objectives in 2025.

# Remuneration Committee Report *(continued)*

## Part 1: Background Statement *(continued)*

The Remuneration Policy and Implementation Report were tabled for separate non-binding advisory votes by shareholders at the company's AGM held on 5 June 2025, at which both were approved by shareholders. The voting results for the past two years are indicated in the table below:

| Percentage of "Yes" votes | 5 June 2025 | 6 June 2024 |
|---|---|---|
| Non-binding advisory vote on Remuneration Policy | 86.90% | 48.82% |
| Non-binding vote on implementation of Remuneration Policy | 86.90% | 48.82% |

### Shareholder consultations

The Board invited shareholders to engage in-person, on virtual platforms, or via email with the Board on the Remuneration Policy and the Implementation Report both prior to and post the AGM, and these engagements resulted in a positive outcome, as illustrated by the passing of the non-binding advisory votes.

### Key areas of focus for the coming year

The committee has identified the following areas of focus for the coming year:

- remuneration packages and structure of Executive Directors, Prescribed Officers and senior management to ensure they are competitive in the relevant market and are aligned with shareholders' interest as well as with the Group's strategy;
- implementation of the recommendations by the external consultants relating to the Incentive Scheme in order to achieve best practice and address shareholder concerns;
- Exco's 2026 KPAs and STI targets as well as the performance conditions for new LTI awards, considering prevailing market conditions and the company's strategic objectives, among other factors. KPAs will include specific reference to ESG matters;
- continued review of progress achieved toward correcting verified anomalies identified in the pay parity review in 2023;
- align the Remuneration Policy with King V™ principles;
- continue to monitor developments around the promulgation of the Companies Act amendments and incorporate legislated requirements as and when these come into effect;
- review the comparator group of companies used for remuneration benchmarking; and
- monitor and review of progress towards compliance with the Minimum Shareholding Requirement policy for Executive Directors and Prescribed Officers introduced in 2024.

## Part 2: The Remuneration Policy

### Objectives of the policy

The objectives of the Remuneration Policy are to enable the business to:

- Provide a framework to fairly and responsibly reward all employees based on their experience, skillset and company contribution;
- Within reasonable parameters and based on the company's operational requirements:
  - retain competent employees who enhance business performance;
  - reward, recognise and confer appreciation for superior performance; and
  - recruit high-performing, skilled individuals from a shrinking pool of talent.
- Establish a remuneration philosophy that:
  - directs employees' energies and activities towards key business goals; and
  - achieves the most effective returns (employee productivity) for total employee spend.

To achieve this, Mpact rewards its employees in a way that reflects the dynamics of the market and the context in which it operates. All components of this Remuneration Policy, including the fixed pay and variable pay for performance, are aligned to the strategic direction of the business and business-specific value drivers.

The Remuneration Policy is reviewed periodically by the committee considering, among other factors, the business strategy, latest trends, best practice and feedback from shareholders.

The Remuneration Policy will be subject to a non-binding advisory vote by shareholders at the AGM on 4 June 2026.

### Key principles

The Remuneration Policy has been set with the objective of attracting, motivating and retaining experienced and high calibre directors, managers and employees in a manner that is consistent with best practice and aligned with the interests of Mpact's shareholders.

The Remuneration Policy for employees is framed around the following key principles:

- remuneration packages should be set at levels that are competitive in the relevant market and address unjustified pay differentials;
- the structure of remuneration packages and, in particular, the design of performance-based remuneration schemes, should be aligned with shareholders' interests and should support the achievement of the Group's business strategy and the management of risk;
- a significant proportion of the remuneration of Exco members should be performance-based;
- the performance-based element of remuneration should be appropriately balanced between the achievement of short-term objectives and longer-term objectives;
- the remuneration of Exco members and other employees should be set taking appropriate account of remuneration and employment conditions at all levels in the Group;
- appropriate measures may be utilised to attract and retain employees with scarce skills;
- compliance with, and due regard to, relevant collective bargaining processes and agreements.

### Total remuneration of executive management

The total remuneration of the executive management comprises the following:

- guaranteed pay; and
- variable pay for performance comprising:
  - short-term incentives (STI); and
  - long-term incentives (LTI).

The company's targeted pay mix aims to align the incentives of employees with the interests of shareholders. The targeted pay mix is set out on @ page 81.

### Guaranteed pay

Mpact aims to establish and maintain a logical pay scale with pay levels that ensure that the company is able to remain competitive, while managing costs.

Guaranteed pay is expressed in terms of total guaranteed cost of employment (TGCOE), which consists of basic salary, travel allowance, medical scheme contributions, and retirement funding contributions.

# Remuneration Committee Report *(continued)*

## Part 2: The Remuneration Policy *(continued)*

### Annual TGCOE review

The TGCOE for employees is reviewed annually, normally with effect from 1 January. Factors taken into consideration during the review include business performance and the individual's performance, contribution and experience in the role. General affordability and the company's general financial position and operational requirements will play an important role in salary reviews:

- Salaries are reviewed annually and are targeted broadly at the median position in the relevant market. Due regard is also given to bargaining arrangements within industries or sectors, and collective bargaining agreements applicable to bargaining unit employees, as negotiated at national or enterprise level.
- In respect of management employees, the company periodically benchmarks its remuneration practices and policy using reputable management reward surveys conducted independently. The benchmark used is the median total guaranteed cost of employment for similar positions in similarly sized listed companies.
- The committee has regard principally to companies in the South African market which have a similar size, complexity and scope to the company. The committee also considers business performance, salary practices prevailing for other employees in the company and, when setting individual salaries, the individual's performance, contribution and experience in the role. Salary practices prevailing for other employees in the Group are taken into account through the consideration of data provided to the committee annually.

In respect of Executive Directors, Prescribed Officers and senior management, the company periodically benchmarks its remuneration practices and policy using reputable management reward surveys conducted independently. The benchmark used is the median total guaranteed cost of employment for similar positions in similarly sized listed companies.

A benchmarking exercise of the TGCOE packages of Mpact's Executive Directors, Prescribed Officers and senior management was conducted by RemChannel in 2021. The conclusion of the exercise was that the Executive Directors, Prescribed Officers and senior management of Mpact are positioned fairly, with a few exceptions due primarily to length of service.

Mpact had an average company-ratio of 105.8% against the 50th percentile of the national all-industries market, and 98.3% against the manufacturing industry, when benchmarked against the RemChannel matched jobs in 2021.

### Medical aid

Medical aid benefits are offered through the Anglo Medical Scheme (AMS), administered by Discovery. AMS is a restricted medical scheme. The scheme offers three plans aimed at addressing the healthcare needs of its members. The plans include: Managed Care, a top tier plan comprising comprehensive unlimited cover for hospitalisation and most non-discretionary healthcare services; Standard Care, a traditional medical plan with defined benefits; and Value Care, an option which provides primary healthcare through a national network of Prime Cure facilities and providers.

### Retirement fund

Retirement and risk benefits are provided through the Mondi Mpact Group Fund (MMGF). The employer and the employee both contribute towards the Fund and contributions are applied towards retirement saving, risk benefits and administration costs respectively. The MMGF has three investment categories, being Moderate, Dynamic and Conservative portfolios.

### Variable pay

#### Short-term incentives (STI)

The annual STI award is based on a combination of financial and non-financial performance criteria for the year ended 31 December and comprises a cash portion, usually paid in full in March the following year, and for a limited number of key employees, a deferred portion.

The deferred portion is awarded in order to retain, motivate and reward key personnel, such as those who are vital to the Group's success and/or have scarce skills. The deferred portion is in the form of either deferred share awards or a Deferred Cash Plan (DCP). Both vest after three years subject to continued employment.

In respect of DCP awards, interest accrues monthly at the JIBAR rate and is paid out with the deferred cash bonus at the time of vesting. Deferred share awards prior to 2025 were made in terms of the Bonus Share Plan (BSP). On BSP vesting, all dividends declared between the award date and the vesting date are paid out to the employee as a dividend equivalent bonus. From 2025, the deferred portion is awarded as Deferred Share Awards (DSA). DSAs can be delivered in the form of either forfeitable or conditional shares. Forfeitable shares are similar to conditional shares, except that they are acquired as soon as possible after the award date and are held by an escrow agent for the benefit of the participant until they vest. They are restricted and may not be disposed of until they vest or are forfeited in the case that applicable performance conditions are not met. From the award date, participants are entitled to all dividends declared on DSAs and to exercise full voting rights in respect of those awards. As was the case in 2025, the committee will use forfeitable shares for the 2026 DSAs.

The maximum achievable STI awards for Executive Directors and Prescribed Officers are detailed below as values on the award date:

| Level | Cash portion as % of TGCOE | Deferred portion (DSA) as % of TGCOE |
|---|---|---|
| CEO | 80% | 45% |
| CFO | 80% | 45% |
| PO | 80% | 45% |

## 2026 STI key performance indicator (KPI) weighting

The determination of the STI award is based on the assessment of various KPIs. For the 2026 financial year, these metrics and their relative weightings are indicated in the table below. Increased focus has been given on reducing the level of net debt in the Group. Non-financial key performance areas include the following:

- Leadership competencies: grow the business; deliver results; build partnerships and self-management;
- ESG safety; and
- ESG other, including items such as water usage, carbon emission reduction and B-BBEE targets.

| | Weighting (% of max) | |
|---|---|---|
| **STI key performance indicator** | **CEO and CFO** | **PO** |
| **Financial** | **70%** | **70%** |
| ROCE | 10% | 10% |
| Net debt | 25% | 25% |
| HEPS | 15% | 15% |
| EBITDA | 20% | 20% |
| **Non-financial** | **30%** | **30%** |
| ESG safety | 10% | 10% |
| ESG other | 5% | 5% |
| Individual KPAs and leadership competencies | 15% | 15% |
| **Total** | **100%** | **100%** |

## Long-term incentives (LTI) for the 2026 financial year

Long-term incentives, in the form of Performance Shares may be awarded annually to selected employees ("eligible employees"), in Mpact's sole discretion. The combined, weighted implementation of the STIs and LTIs allows Mpact to be competitive in annual and share-based incentives, reward long-term sustainable company performance aligned with shareholder interests, act as a retention tool, and ensure that Executive Committee members share a significant level of personal risk with the company's shareholders.

Performance Share Awards (PSA) prior to 2025 were made in terms of the Performance Share Plan (PSP). From 2025, PSA are made as detailed below.

Performance shares will vest on the third anniversary of their award, to the extent that the company has met specified performance criteria over the intervening period. Dividends declared between the award date and the vesting date will accrue to participants, but will only be settled when and to the extent that the underlying award vests.

Performance conditions for PSA are weighted 90% towards financial performance and 10% towards non-financial performance. PSAs can be delivered in the form of either forfeitable or conditional shares. As was the case in 2025, the committee will use conditional shares for the 2026 PSAs.

The face value of PSAs is determined as a proportion of an employee's TGCOE. The number of shares conditionally awarded is based on the face value of the award divided by the volume weighted average share price (VWAP) of Mpact Limited for the 20 trading days prior to the date on which the award is made. The proportion of shares ultimately vesting is dependent on the level of achievement of the performance criteria over the vesting period which can range from 0% to 100%. The value at vesting will be the number of shares vested multiplied by the share price at vesting and may be higher than the award values below due to share price movements.

# Remuneration Committee Report *(continued)*

## Part 2: The Remuneration Policy *(continued)*

The maximum achievable LTI awards for Executive Directors and Prescribed Officers are detailed below as values on the award date:

| Level | Maximum value of awards as % of TGCOE |
|---|---|
| CEO | 133% |
| CFO | 100% |
| PO | 100% |

### Share award policy updates from the 2025 financial year

Following the review of the remuneration policy as described in the 2024 Integrated Report, the share award policy was updated and duly implemented in 2025 to optimise its effectiveness as a competitive remuneration element, to align with best practice, legal and regulatory requirements, shareholder returns and other stakeholder requirements. Please refer to page 86 of the 2024 Integrated Report for a more comprehensive summary of the changes implemented.

**Maximum achievable variable pay as % TGCOE**

The following tables summarise the weighting of key performance indicators and maximum potential awards for all incentives for Executive Directors and Prescribed Officers:

### Chief Executive Officer

| | Total for all incentives | | Short-term incentive | | | | Long-term incentive | |
|---|---|---|---|---|---|---|---|---|
| | | | Cash portion | | Deferred portion | | Performance shares (PSA) | |
| | | | Paid in cash annually | | Issued as deferred shares (DSA) from 2025, vesting after three years subject to continued employment | | Vesting after three years subject to performance conditions | |
| **Key performance indicator** | **Weighting** | **% TGCOE** | Weighting | % TGCOE | Weighting | % TGCOE | Weighting | % TGCOE |
| **Financial** | **80%** | **207%** | 70% | 56% | 70% | 32% | 90% | 120% |
| ROCE | **31%** | **79%** | 10% | 8% | 10% | 5% | 50% | 67% |
| Net debt | **12%** | **31%** | 25% | 20% | 25% | 11% | 0% | 0% |
| HEPS | **28%** | **72%** | 15% | 12% | 15% | 7% | 40% | 53% |
| EBITDA | **10%** | **25%** | 20% | 16% | 20% | 9% | 0% | 0% |
| **Non-financial** | **20%** | **51%** | 30% | 24% | 30% | 14% | 10% | 13% |
| ESG – safety | **5%** | **13%** | 10% | 8% | 10% | 5% | 0% | 0% |
| ESG – other | **8%** | **20%** | 5% | 4% | 5% | 2% | 10% | 13% |
| Individual KPAs and leadership competencies | **7%** | **19%** | 15% | 12% | 15% | 7% | 0% | 0% |
| **Total** | **100%** | **258%** | 100% | 80% | 100% | 45% | 100% | 133% |

## Chief Financial Officer

| | Total for all incentives | | Short-term incentive | | | | Long-term incentive | |
|---|---|---|---|---|---|---|---|---|
| | | | Cash portion | | Deferred portion | | Performance shares (PSA) | |
| | | | Paid in cash annually | | Issued as deferred shares (DSA) from 2025, vesting after three years subject to continued employment | | Vesting after three years subject to performance conditions | |
| **Key performance indicator** | **Weighting** | **% TGCOE** | Weighting | % TGCOE | Weighting | % TGCOE | Weighting | % TGCOE |
| **Financial** | **79%** | **178%** | 70% | 56% | 70% | 32% | 90% | 90% |
| ROCE | **28%** | **63%** | 10% | 8% | 10% | 5% | 50% | 50% |
| Net debt | **14%** | **31%** | 25% | 20% | 25% | 11% | 0% | 0% |
| HEPS | **26%** | **59%** | 15% | 12% | 15% | 7% | 40% | 40% |
| EBITDA | **11%** | **25%** | 20% | 16% | 20% | 9% | 0% | 0% |
| **Non-financial** | **21%** | **48%** | 30% | 24% | 30% | 14% | 10% | 10% |
| ESG – safety | **6%** | **13%** | 10% | 8% | 10% | 5% | 0% | 0% |
| ESG – other | **7%** | **16%** | 5% | 4% | 5% | 2% | 10% | 10% |
| Individual KPAs and leadership competencies | **8%** | **19%** | 15% | 12% | 15% | 7% | 0% | 0% |
| **Total** | **100%** | **225%** | 100% | 80% | 100% | 45% | 100% | 100% |

# Remuneration Committee Report *(continued)*

## Part 2: The Remuneration Policy *(continued)*

### Prescribed Officers

| | Total for all incentives | | Short-term incentive | | | | Long-term incentive | |
|---|---|---|---|---|---|---|---|---|
| | | | Cash portion | | Deferred portion | | Performance shares (PSA) | |
| | | | Paid in cash annually | | Issued as deferred shares (DSA) from 2025, vesting after three years subject to continued employment | | Vesting after three years subject to performance conditions | |
| **Key performance indicator** | **Weighting** | **% TGCOE** | Weighting | % TGCOE | Weighting | % TGCOE | Weighting | % TGCOE |
| **Financial** | **79%** | **178%** | 70% | 56% | 70% | 32% | 90% | 90% |
| ROCE | **28%** | **63%** | 10% | 8% | 10% | 5% | 50% | 50% |
| Net debt | **14%** | **31%** | 25% | 20% | 25% | 11% | 0% | 0% |
| HEPS | **26%** | **59%** | 15% | 12% | 15% | 7% | 40% | 40% |
| EBITDA | **11%** | **25%** | 20% | 16% | 20% | 9% | 0% | 0% |
| **Non-financial** | **21%** | **48%** | 30% | 24% | 30% | 14% | 10% | 10% |
| ESG – safety | **6%** | **13%** | 10% | 8% | 10% | 5% | 0% | 0% |
| ESG – other | **7%** | **16%** | 5% | 4% | 5% | 2% | 10% | 10% |
| Individual KPAs and leadership competencies | **8%** | **19%** | 15% | 12% | 15% | 7% | 0% | 0% |
| **Total** | **100%** | **225%** | 100% | 80% | 100% | 45% | 100% | 100% |

The KPI measurement period for STIs is the financial year, and for LTIs, the three financial years from the beginning of the year of the award to the end of the year before vesting.

| Measurement and period | Short-term incentive (STI) Cash and Deferred shares | Long-term incentive (LTI) Performance shares |
|---|---|---|
| **Financial** | | |
| ROCE | Actual at period end, calculated as the underlying EBIT plus the share of profit from associates over the performance period, divided by the average capital employed. Capital employed is Mpact's total invested capital minus expansion capital work-in-progress plus net debt minus specific categories of debt | Calculated as per the STI, but using averages over the three-year vesting period |
| HEPS | Actual for the year | Actual over three-year vesting period |
| EBITDA | Actual underlying EBITDA for the year | n/a |
| Net debt | Actual at period-end | n/a |
| **Non-financial** | | |
| ESG – safety | Actual for the year | n/a |
| ESG – other | Actual for the year | Actual over three-year vesting period |
| Individual/ leadership | Actual for the year | n/a |

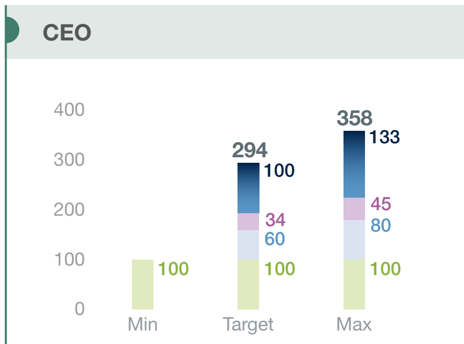
## Pay mix

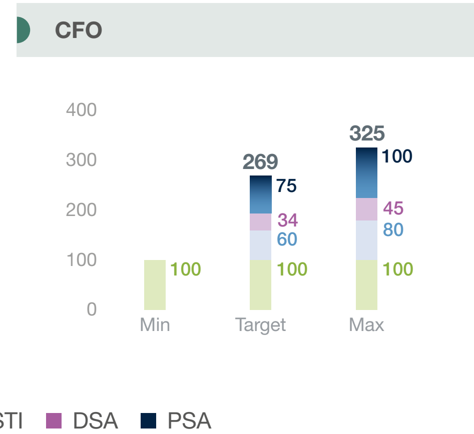
Using the components of total remuneration described previously, the following graphs illustrate the potential outcomes between minimum and maximum remuneration for the CEO, CFO and Prescribed Officers.

The pay-mix indicated in the charts below depicts the Minimum, Maximum and Target remuneration expressed as a percentage of TGCOE. The Target pay mix assumes that participants achieve 75% of the maximum STI, DSA and PSA respectively.

The charts show PSA and DSA separately. Dividends received on shares awarded are, however, not indicated since the actual dividends received vary based on actual dividend declarations in each year.

When comparing the pay-mix range shown to actual remuneration outcomes in the single figure reporting under Part 3, it should be noted that these figures are based on the face value at the award date, whereas the single figure reporting on remuneration paid to Executive Directors and Prescribed Officers in respect of the current and preceding years, includes actual value at vesting for the share awards, which reflects the share price at that time.



# Remuneration Committee Report *(continued)*

## Part 2: The Remuneration Policy *(continued)*

### Executive Directors' and Prescribed Officers' policy on loss of office and existing service contracts

#### Service contracts for new appointments

Executive Directors' service contracts provide for a maximum of six months' notice by either party. Employment contracts for Prescribed Officers provide for a maximum of three months' notice by either party. Service contracts for senior executives contain pay in lieu of notice provisions which may be invoked at the discretion of the committee if the company terminates the service contract. No discretionary incentives are paid to any employees where such employees are at fault/bad leavers.

Where appropriate, new appointments will be required to sign restraint of trade agreements on engagement.

#### Existing service contracts

Notice periods for executive management currently in office are indicated in the table below:

| Role | Notice period |
|---|---|
| CEO | **Twelve months** |
| CFO | **Three months** |
| PO | **Between three and six months** |

In the event of termination of employment, no executive managers have special termination benefits or balloon payment provisions in their employment contracts.

Upon termination of employment, the company may elect to make payment in lieu of notice.

Where a member of executive management has acquired an unconditional contractual right to remuneration and/or a specific incentive, it will be paid out on termination of employment. The payment of discretionary benefits will be considered on a case-by-case basis, in Mpact's discretion and in accordance with the rules applicable to the incentive concerned. Furthermore, it is noted that no discretionary incentives are paid to any employees where such employees are designated as ineligible employees.

### Malus and clawback

Malus and clawback provisions apply to both the cash and share-based elements of both short-term and long-term incentive awards, for a period of three years from the date of settlement of an award in the case of clawback and at any time prior to vesting or settlement, in the case of malus.

The malus provisions may be applied by the Board where any of the following trigger events have occurred: material misstatement of financial results; information or the assessment of any performance condition(s) used to determine an award was based on a materially erroneous or inaccurate or fraudulent information; misstatement of performance; serious reputational damage; censure of Mpact by a regulatory authority; gross or serious misconduct; or a material failure of risk management. The clawback provisions may be applied where any of the following trigger events have occurred: material misstatement of financial results; or where information or the assessment of any performance condition(s) used to determine an award was based on materially erroneous or inaccurate or fraudulent information.

### Minimum shareholding requirements (MSR)

The members of the Executive Committee are subject to a minimum shareholding requirements (MSR) policy, where they are required to build up unencumbered holdings of company shares to the value of:

| | |
|---|---|
| CEO | **2 x TGCOE** |
| Executive Directors and Prescribed Officers | **1.5 x TGCOE** |
| All other members of Exco | **1 x TGCOE** |

Executives to whom this policy applies will have five years from the later of (i) 1 January 2024, or (ii) the appointment date to the Executive Committee, in order to achieve compliance. Provided that in the case of (ii) compliance will be required by 31 December in the 6th (sixth) year following appointment to the Exco. The compliance period may be extended at the discretion of the RemCom should circumstances warrant such extension.

The executives may build up these MSR holdings from shares held personally or for their sole economic benefit, or from share awards that they commit to hold for a further period after plan vesting. Unvested performance shares, that have not been committed nor performance measured, are not considered for this purpose. The share price used to assess the value of the holdings will be the closing price on 31 December of the measurement year. The annual TGCOE on 31 December will also be used to assess compliance with the policy.

## Non-executive Directors' fees

The fee structure for Non-executive Directors was designed to ensure that we attract, retain and appropriately compensate a diverse and experienced Board of Non-executive Directors.

Mpact engaged Vasdex Associates (Pty) Ltd in the first quarter of 2024 to conduct a benchmarking exercise to inform a review of its Non-executive Directors' fees in 2024. The benchmarking was conducted by means of a peer group comparison, with 14 companies selected based on organisation size and nature of operation (similarity of industry).

The benchmarking exercise indicated that Mpact's Non-executive Directors were fairly remunerated and generally aligned to the median of the market for companies of comparative size, industry sector and market capitalisation.

## Fair and responsible remuneration

King IV™ emphasises executive remuneration which is fair and responsible "in context of the overall employee remuneration" and part of this responsibility is addressing the gap between the remuneration of executives and the employees at the lower end of the pay scale. The committee regards this as an important objective. Steps taken include:

- Lower mandated increase for executives compared to employees at the lower end of the pay scale.
- Ensuring total remuneration for executives comprises a higher variable pay based on performance.

## Voting statements (non-binding advisory vote on the Remuneration Policy)

This Remuneration Policy is subject to an advisory vote by shareholders at the AGM on 4 June 2026. Shareholders are requested to cast a non-binding advisory vote on Part 2 of this Remuneration Report, as it appears above.

# Remuneration Committee Report *(continued)*

## Part 3: The Implementation Policy

### Guaranteed package approved

The approved annual TGCOE increase for the executive management was between 4% and 5% effective 1 January 2025. This is to be compared to the mandated increase granted to other employees of up to 5% on average (2024: 6.13% on average).

| TGCOE approved | 2025 | 2024 | % increase |
|---|---|---|---|
| **Executive Directors** | | | |
| BW Strong | **7,124,059** | 6,850,057 | 4.00% |
| JJ Snyman[1] | **4,682,496** | 3,576,208 | 30.9% |
| **Prescribed Officers** | | | |
| HM Thompson | **5,850,140** | 5,625,135 | 4.00% |
| JW Hunt | **4,441,156** | 4,229,672 | 5.00% |
| CM Botha | **4,727,508** | 4,502,388 | 5.00% |

1. *Appointed on 1 June 2024. Of the total 2024 TGCOE amount, R2,626,400 was paid as Director of Mpact Limited and R949,808 was paid as a Divisional Commercial Manager of Recycling Consolidated Holdings Proprietary Limited.*

### Short-term incentive bonus achievements

For the year ended 31 December 2025, the annual bonus performance outcome for the Executive Directors was as follows:

| | Weighting | Threshold at 25% | Maximum at 100% | Actual | % achieved | Weighting outcome |
|---|---|---|---|---|---|---|
| **Financial** | 70% | | | | 0% | 0 |
| EBITDA | 25% | R1,625 million | R2,050 million | R1,519 million | 0% | 0 |
| HEPS (cps) | 15% | 370 cents | 469 cents | 307 cents | 0% | 0 |
| ROCE, excluding CWIP | 30% | 16.0% | 18.0% | 11.3% | 0% | 0 |

| | Weighting | Threshold at 0% | Maximum at 100% | Actual | % achieved | Weighting outcome |
|---|---|---|---|---|---|---|
| **Non-financial** | | | | | | |
| SIFR | 5% | 0,75 | 0,55 | 0,38 | 100% | 5.0 |
| Leading safety indicators | 5% | 80% | 95% | 90% | 70% | 3.5 |
| ESG – Other | | | | | | |
| $CO_2e$ | 3.0% | 1.72% | 2.20% | 3.19% | 100% | 3.0 |
| Water reduction | 2.0% | 0.5% | 1.68% | 3.14% | 100% | 2.0 |
| Fatality penalty | | 1 fatality occurred at an operation | | | | (2.5) |
| Leader competencies and other non-financial KPAs | 15% | Average actual outcome of 90.0% | | | | 13.5 |
| **Total** | 100% | Average total weighting outcome | | | | 24.5 |

## Long-term incentives outcomes

Awards and grants made on 1 April 2023 vested on 31 March 2026. The vesting outcome applicable to both the BSP and the PSP is calculated as set out below:

### Bonus share plan

Bonus shares granted in 2023 were released to participants still employed by Mpact at the vesting date which was 31 March 2026. There are no other performance conditions linked to the BSP.

### Performance share plan

The level of achievement against the performance criteria for the performance shares awarded in 2023 and vested in March 2026, based on three years' financial performance to the year ended 31 December 2025, was 0% determined as follows:

| | Weighting | 0% | Threshold 30% vesting | Maximum 100% vesting | Actual | % achieved |
|---|---|---|---|---|---|---|
| ROCE % | 50% | <14% | 14% | 19% | 13.0% | 0% |
| | ROCE % calculation is based on an average three-year achievement for the financial years ended 31 December 2023, 2024 and 2025 | | | | | |
| HEPS growth | 50% | No vesting below 30% | Mpact HEPS for the final year of the performance period (Final HEPS) exceeds Reference HEPS by a factor of CPI plus GDP growth over the performance period | Mpact Final HEPS must be higher than the Reference HEPS by a factor of CPI plus GDP growth over the performance period plus 5% | For the performance period 1 January 2023 to 31 December 2025, Mpact's Final HEPS for the year ended 31 December 2025 was 306.6 cents per share, compared to the Reference HEPS of 430.1 cents per share. Therefore 0% of the award based on HEPS growth will vest | 0% |

# Remuneration Committee Report *(continued)*

## Part 3: The Implementation Policy *(continued)*

### Executive Directors' five-year remuneration, STI and LTI

| | CEO | | CFO[1] | | % of face value of share awards realised at date of vesting | | |
|---|---|---|---|---|---|---|---|
| Year | TGCOE | Actual STI score as % of maximum possible | TGCOE | Actual STI score as % of maximum possible | BSP | PSP | |
| 2021 | 5,851,018 | 94% | 4,447,508 | 93% | 69% | 44% | 63% of the PSP shares awarded in 2018 vested. Share price depreciated from R28.89 per share at date of award to R20.03 at date of vesting. |
| 2022 | 6,198,445 | 91% | 4,711,596 | 90% | 141% | 116% | 82% of the PSP shares awarded in 2019 vested. Share price appreciated from R23.45 per share at date of award to R33.00 at date of vesting. |
| 2023 | 6,508,365 | 67% | 4,947,176 | 60% | 278% | 266% | 96% of the PSP shares awarded in 2020 vested. Share price appreciated from R10.52 per share at date of award to R29.20 at date of vesting. |
| 2024 | 6,850,057 | 31.2% | 2,626,400 | 32.1% | 132% | 132% | 100% of the PSP shares awarded in 2021 vested. Share price appreciated from R20.44 per share at date of award to R27.00 at date of vesting. |
| **2025** | **7,124,059** | **24.4%** | **4,682,496** | **24.6%** | **86.11%** | **34.37%** | **39.91% of the PSP shares awarded in 2022 vested. Share price depreciated from R31.89 per share at date of award to R27.46 at date of vesting.** |

*1. Values for 2020 to 2023 are in respect of BDV Clark who retired as CFO on 31 May 2024. The 2024 values are in respect of JJ Snyman, who was appointed from 1 June 2024.*

## Remuneration of Executive Directors and Prescribed Officers

31 December 2025

| R's | Guaranteed package (TGCOE)[1] | Short-term incentive – cash portion[2] | Other[3] | Sub-total cash-based remuneration | Short-term incentive – deferred portion (grant value)[4] | Long-term incentive – intrinsic value[5] | Total remuneration |
|---|---|---|---|---|---|---|---|
| **2025** | | | | | | | |
| **Executive Directors** | | | | | | | |
| BW Strong | 7,124,059 | 1,390,616 | 256,915 | 8,771,590 | 782,222 | – | 9,553,812 |
| JJ Snyman | 4,682,496 | 921,515 | – | 5,604,011 | 518,352 | – | 6,122,364 |
| **Total** | **11,806,555** | **2,312,132** | **256,915** | **14,375,602** | **1,300,574** | **–** | **15,676,176** |
| **Prescribed Officers** | | | | | | | |
| C Botha | 4,727,508 | 1,667,865 | 159,113 | 6,554,486 | 938,174 | – | 7,492,660 |
| JW Hunt | 4,441,156 | 1,652,110 | 151,015 | 6,244,281 | 929,312 | – | 7,173,593 |
| HM Thompson | 5,850,140 | 2,180,932 | 201,528 | 8,232,600 | 1,226,774 | – | 9,459,375 |
| **Total** | **15,018,804** | **5,500,907** | **511,656** | **21,031,367** | **3,094,260** | **–** | **24,125,628** |

1. *Guaranteed package (TGCOE) paid for the 12 months of the financial year.*
2. *Short-term incentive (STI) earned on performance for the 2025 financial year, to be paid in March 2026.*
3. *Other cash benefits include dividend equivalent bonus based on actual bonus shares that vested in March 2025 and other cash benefits.*
4. *Value of the bonus shares to be granted (56.25% of STI) in 2026, based on 2025 short-term incentive performance and vesting in March 2028.*
5. *Intrinsic value is calculated by taking the number of performance shares expected to vest in March 2026, based on performance over the three-year period ended 31 December 2025, multiplied by the closing Mpact share price at 31 December 2025.*

# Remuneration Committee Report *(continued)*

## Part 3: The Implementation Policy *(continued)*

### Remuneration of Executive Directors and Prescribed Officers
31 December 2024

| R's | Guaranteed package (TGCOE)[1] | Short-term incentive – cash portion bonus[2] | Other[3] | Cash-based remuneration | Short-term deferred portion (grant value)[4] | Long-term incentive – intrinsic value[5] | Total remuneration |
|---|---|---|---|---|---|---|---|
| **Executive Directors** | | | | | | | |
| BW Strong | 6,850,057 | 1,709,774 | 178,902 | 8,738,733 | 961,748 | 3,055,474 | 12,755,955 |
| JJ Snyman[6] | 3,576,208 | 750,682 | 1,818 | 4,328,708 | 455,606 | 0 | 4,784,314 |
| BDV Clark[7] | 2,169,543 | 348,863 | 142,483 | 2,606,889 | 0 | 1,741,945 | 4,402,834 |
| **Total** | 12,595,808 | 2,809,319 | 323,203 | 15,728,330 | 1,417,354 | 4,797,419 | 21,943,103 |
| **Prescribed Officers** | | | | | | | |
| CM Botha | 4,502,388 | 1,505,599 | 82,051 | 6,090,038 | 846,899 | 1,481,481 | 8,418,418 |
| JW Hunt | 4,229,672 | 1,387,332 | 119,445 | 5,736,449 | 780,374 | 1,391,752 | 7,908,575 |
| HM Thompson | 5,625,135 | 1,980,048 | 164,252 | 7,769,435 | 1,113,777 | 1,881,862 | 10,765,074 |
| **Total** | 14,357,195 | 4,872,979 | 365,748 | 19,595,922 | 2,741,050 | 4,755,095 | 27,092,067 |

1. *Guaranteed package (TGCOE) paid for the 12 months of the financial year.*
2. *Short-term incentive (STI) cash portion earned on 2024 performance, paid in March 2025.*
3. *Other cash benefits include dividend equivalent bonus based on actual bonus shares that vested in March 2024 and other cash benefits.*
4. *Value of the deferred shares to be granted (56.25% of STI) in 2025 based on 2024 performance and vesting in March 2028.*
5. *Intrinsic value is calculated by taking the number of PSP shares expected to vest in March 2025 based on performance over the three-year period ended 31 December 2024, multiplied by the closing Mpact share price of R29.54 at 31 December 2024.*
6. *Appointed on 1 June 2024. Of the total TGCOE amount, R2,626,400 was paid as Director of Mpact and R949,808 was paid as a Divisional Commercial Manager of Recycling Consolidated Holdings Proprietary Limited.*
7. *Retired on 31 May 2024.*

## Number and market value of share awards granted to Executive Directors and Prescribed Officers

The following tables set out the number and market value of share awards granted, exercised and lapsed to the Executive Directors and Prescribed Officers during the year:

### 2025 – Executive Directors

**BW Strong**

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

# Remuneration Committee Report *(continued)*

## Part 3: The Implementation Policy *(continued)*

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

## Executive Director

**JJ Snyman**

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

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

# Remuneration Committee Report *(continued)*

## Part 3: The Implementation Policy *(continued)*

### Prescribed Officer

**JW Hunt**

| Type of award | Date of award/grant | Release date | Number of shares awarded/ granted in prior years | Number of shares awarded/ granted during the year | Number of shares vested during the year | Number of shares lapsed or expected to lapse at vesting date | Number of shares held as at 31 December 2025 |
|---|---|---|---|---|---|---|---|
| BSP | Apr 22 | Mar 25 | 46,523 | – | 46,523 | – | – |
| PSP | Apr 22 | Mar 25 | 118,051 | – | 47,114 | 70,937 | – |
| BSP | Apr 23 | Mar 26 | 42,922 | – | – | – | 42,922 |
| PSP | Apr 23 | Mar 26 | 136,261 | – | – | 136,261 | – |
| BSP | Apr 24 | Mar 27 | 43,473 | – | – | – | 43,473 |
| PSP | Apr 24 | Mar 27 | 154,222 | – | – | 154,222 | – |
| DSA | Jun 25 | Mar 28 | – | 30,045 | – | – | 30,045 |
| PSA | Jun 25 | Mar 28 | – | 170,989 | – | 112,853 | 58,136 |
| **Total number of shares** | | | 541,452 | 201,034 | 93,637 | 474,273 | 174,576 |

| R's Type of award | Date of award/grant | Award/ grant price (Rand)[7] | Face value of shares awarded/ granted in prior years[1] | Face value of shares awarded/ granted during the year[2] | Cumulative effects of share price movement gain/(loss)[3] | Value of shares vested during the year[4] | Value of shares lapsed or expected to lapse at vesting date | Market value of shares at 31 December 2025[5] |
|---|---|---|---|---|---|---|---|---|
| BSP | Apr 22 | 31.89 | 1,483,511 | – | (205,981) | 1,277,530 | – | – |
| PSP | Apr 22 | 31.89 | 3,764,375 | – | (522,671) | 1,293,760 | 1,947,944 | – |
| BSP | Apr 23 | 29.28 | 1,256,919 | – | (291,174) | – | – | 965,745 |
| PSP[6] | Apr 23 | 29.28 | 3,990,240 | – | (924,367) | – | 3,065,873 | – |
| BSP | Apr 24 | 27.43 | 1,192,282 | – | (214,139) | – | – | 978,143 |
| PSP[6] | Apr 24 | 27.43 | 4,229,662 | – | (759,667) | – | 3,469,995 | – |
| BSP | Jun 25 | 25.97 | – | 780,368 | (104,355) | – | – | 676,013 |
| PSP | Jun 25 | 25.97 | – | 4,441,149 | (593,896) | – | 2,539,187 | 1,308,066 |
| **Total market value of shares** | | | 15,916,989 | 5,221,517 | (3,616,250) | 2,571,290 | 11,022,999 | 3,927,967 |

## Prescribed Officer

**C Botha**

| Type of award | Date of award/grant | Release date | Number of shares awarded/ granted in prior years | Number of shares awarded/ granted during the year | Number of shares vested during the year | Number of shares lapsed or expected to lapse at vesting date | Number of shares held as at 31 December 2025 |
|---|---|---|---|---|---|---|---|
| BSP | Apr 22 | Mar 25 | 50,108 | – | 50,108 | – | – |
| PSP | Apr 22 | Mar 25 | 125,662 | – | 50,152 | 75,510 | – |
| BSP | Apr 23 | Mar 26 | 45,874 | – | – | – | 45,874 |
| PSP | Apr 23 | Mar 26 | 145,047 | – | – | 145,047 | – |
| BSP | Apr 24 | Mar 27 | 45,648 | – | – | – | 45,648 |
| PSP | Apr 24 | Mar 27 | 164,165 | – | – | 164,165 | – |
| DSA | Jun 25 | Mar 28 | – | 32,607 | – | – | 32,607 |
| PSA | Jun 25 | Mar 28 | – | 182,014 | – | 120,129 | 61,885 |
| | | | 576,504 | 214,621 | 100,260 | 504,851 | 186,014 |

| R's Type of award | Date of award/grant | Award/ grant price (Rand)[7] | Face value of shares awarded/ granted in prior years[1] | Face value of shares awarded/ granted during the year[2] | Cumulative effects of share price movement gain/(loss)[3] | Value of shares vested during the year[4] | Value of shares lapsed or expected to lapse at vesting date | Market value of shares at 31 December 2025[5] |
|---|---|---|---|---|---|---|---|---|
| BSP | Apr 22 | 31.89 | 1,597,829 | – | (221,853) | 1,375,976 | – | – |
| PSP | Apr 22 | 31.89 | 4,007,072 | – | (556,369) | 1,377,184 | 2,073,519 | – |
| BSP | Apr 23 | 29.28 | 1,343,365 | – | (311,200) | – | – | 1,032,165 |
| PSP[6] | Apr 23 | 29.28 | 4,247,527 | – | (983,970) | – | 3,263,557 | – |
| BSP | Apr 24 | 27.43 | 1,251,933 | – | (224,853) | – | – | 1,027,080 |
| PSP[6] | Apr 24 | 27.43 | 4,502,356 | – | (808,644) | – | 3,693,712 | – |
| DSA | Jun 25 | 25.97 | – | 846,911 | (113,254) | – | – | 733,657 |
| PSA | Jun 25 | 25.97 | – | 4,727,504 | (632,189) | – | 2,702,908 | 1,392,407 |
| | | | 16,950,082 | 5,574,415 | (3,852,332) | 2,753,160 | 11,733,696 | 4,185,309 |

# Remuneration Committee Report *(continued)*

## Part 3: The Implementation Policy *(continued)*

### Prescribed Officer

**HM Thompson**

| Type of award | Date of award/grant | Release date | Number of shares awarded/ granted in prior years | Number of shares awarded/ granted during the year | Number of shares vested during the year | Number of shares lapsed or expected to lapse at vesting date | Number of shares held as at 31 December 2025 |
|---|---|---|---|---|---|---|---|
| BSP | Apr 22 | Mar 25 | 63,939 | – | 63,939 | – | – |
| PSP | Apr 22 | Mar 25 | 159,623 | – | 63,706 | 95,917 | – |
| BSP | Apr 23 | Mar 26 | 60,540 | – | – | – | 60,540 |
| PSP | Apr 23 | Mar 26 | 182,508 | – | – | 182,508 | – |
| BSP | Apr 24 | Mar 27 | 60,771 | – | – | – | 60,771 |
| PSP | Apr 24 | Mar 27 | 205,103 | – | – | 205,103 | – |
| DSA | Jun 25 | Mar 28 | – | 42,882 | – | – | 42,882 |
| PSA | Jun 25 | Mar 28 | – | 225,237 | – | 148,656 | 76,581 |
| **Total number of shares** | | | 732,484 | 268,119 | 127,645 | 632,184 | 240,774 |

| R's<br>Type of award | Date of award/grant | Award/ grant price (Rand)[7] | Face value of shares awarded/ granted in prior years[1] | Face value of shares awarded/ granted during the year[2] | Cumulative effects of share price movement gain/(loss)[3] | Value of shares vested during the year[4] | Value of shares lapsed or expected to lapse at vesting date | Market value of shares at 31 December 2025[5] |
|---|---|---|---|---|---|---|---|---|
| BSP | Apr 22 | 31.89 | 2,038,868 | – | (283,090) | 1,755,778 | – | – |
| PSP | Apr 22 | 31.89 | 5,090,010 | – | (706,731) | 1,749,380 | 2,633,899 | – |
| BSP | Apr 23 | 29.28 | 1,772,841 | – | (410,691) | – | – | 1,362,150 |
| PSP | Apr 23 | 29.28 | 5,344,528 | – | (1,238,098) | – | 4,106,430 | – |
| BSP | Apr 24 | 27.43 | 1,666,693 | – | (299,346) | – | – | 1,367,347 |
| PSP | Apr 24 | 27.43 | 5,625,114 | – | (1,010,296) | – | 4,614,818 | – |
| BSP | Jun 25 | 25.97 | – | 1,113,787 | (148,942) | – | – | 964,845 |
| PSP | Jun 25 | 25.97 | – | 5,850,148 | (782,316) | – | 3,344,769 | 1,723,063 |
| **Total market value of shares** | | | **21,538,054** | **6,963,935** | **(4,879,510)** | **3,505,158** | **14,699,916** | **5,417,405** |

1. *Face value at award/grant date is the number of shares awarded/granted at the award/grant price.*
2. *During the year share grants and awards were made at R25.97 per share.*
3. *Cumulative effects of share price gains and losses represent the difference between the face value at the award/grant date and the sum of the value at vesting, the value lapsed or expected to lapse and the market value at 31 December 2025.*
4. *During the year share awards were vested at a share price of R27.46 per share.*
5. *Market value on 31 December 2025 is the closing share price which was R22.50 per share.*
6. *Assumed a 0% achievement of PSP awarded in 2023, and 0% for awards made in 2024.*
7. *Award/grant price is the VWAP of Mpact for the twenty trading days prior to the date on which the award is made.*

# Remuneration Committee Report *(continued)*

## Part 3: The Implementation Policy *(continued)*

### Non-executive Directors' fees[1]

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

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

**Part 3:** **The Implementation Policy** *(continued)*

## Directors' interest in shares

### As at 31 December 2025, the Directors' interest in Mpact was:

| | 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 Directors** | | | | | |
| BW Strong | 1,332,164 | – | 37,028 | 1,254,632 | – |
| JJ Snyman | – | 7,350 | 17,541 | – | 7,350 |
| **Non-executive Director** | | | | | |
| AJ Phillips (retired on 29 May 2025) | – | – | – | 8,914 | 1,516 |
| **Prescribed Officers** | | | | | |
| JW Hunt | 594,979 | – | 30,045 | 594,979 | – |
| HM Thompson | 669,017 | – | 42,882 | 719,017 | – |
| CM Botha | 159,904 | – | 32,607 | 159,904 | – |
| **Total** | 2,756,064 | 7,350 | 160,103 | 2,737,446 | 8,866 |

There are no associate interests for the above Directors and Prescribed Officers. The restricted shares relate to the forfeitable Deferred Share Awards which are still subject to a vesting performance condition.

The Implementation Report will be subject to a non-binding advisory vote by shareholders at the AGM on 4 June 2026.

**Don Wilson**
*Chair, Remuneration Committee*

24 April 2026

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.

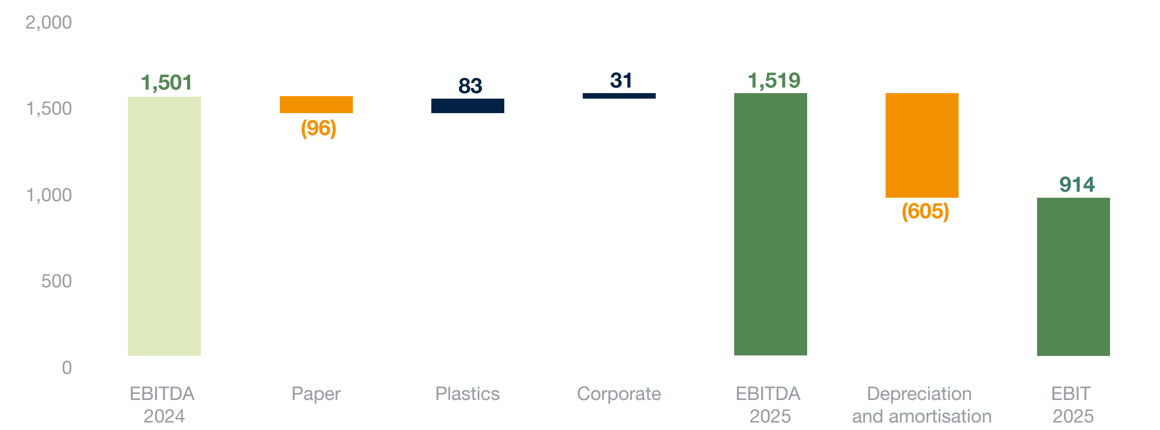
The revenue growth in the Paper business was offset by higher input costs, especially recovered paper costs, and an increase in external paper purchases due to the project-related downtime at the Mkhondo mill. Although absolute gross profit improved by 1.7%, margins reduced by approximately 2 percentage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

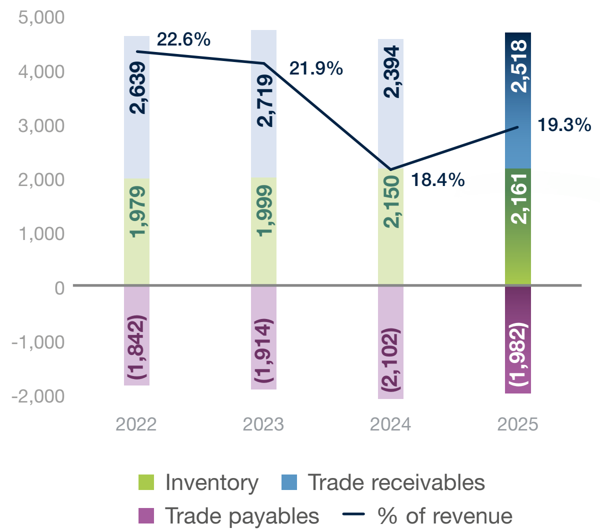
The effective tax rate for continuing operations of 20.8% is lower than the statutory rate due to the recognition of a deferred tax asset of R43 million attributable to previously unrecognised tax losses in Bins & Crates. As at the end of 2025, there are no unrecognised tax losses remaining at any of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

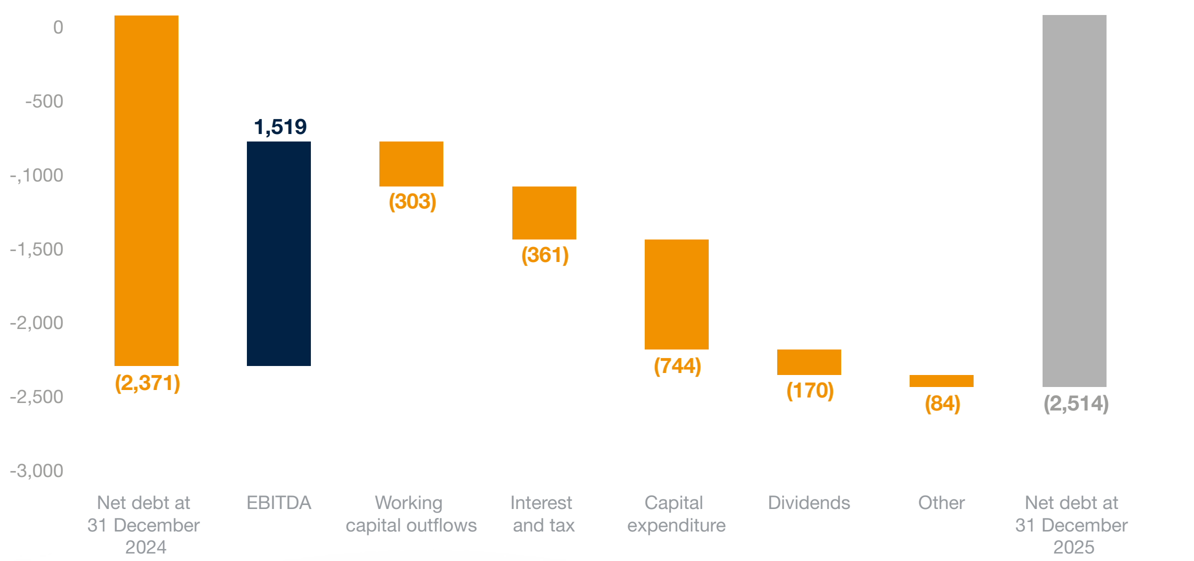
**Net working capital** (R'million)



## 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)*

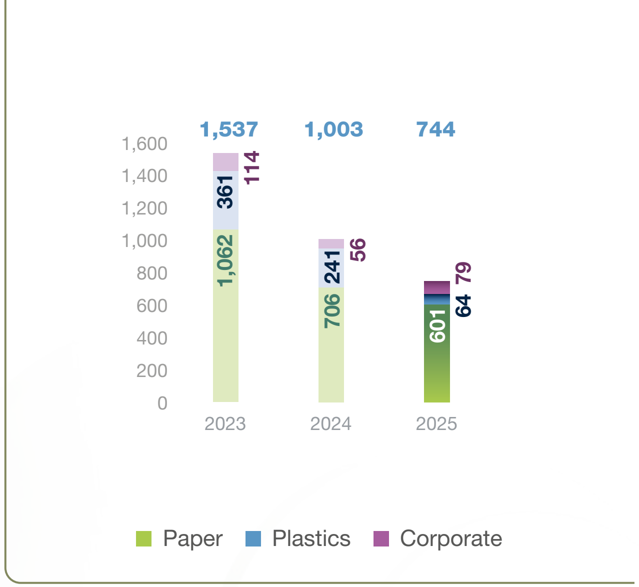
## Capital expenditure

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 Snyman | **–** | **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.

www.pwc.co.za

PricewaterhouseCoopers Inc.
4 Lisbon Lane, Waterfall City, Jukskei View, 2090
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T: +27 (0) 11 797 4000, F: +27 (0) 11 209 5800
Chief Executive Officer: L S Machaba
The Company's principal place of business is at 4 Lisbon Lane, Waterfall City, Jukskei View, where a list of directors' names is available for inspection.
Reg. no. 1998/012055/21, VAT reg.no. 4950174682.

### 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.

07

# ADMINISTRATION

# Shareholders’ diary

## 1. Shareholder diary for investors

| | |
|---|---|
| Financial year-end | Wednesday, 31 December 2025 |
| Results presentations (final) | Monday, 9 March 2026 |
| Posting of Notice of AGM | Friday, 24 April 2026 |
| Availability of Integrated Report on website | Friday, 24 April 2026 |
| Availability of Sustainability Report on website | Friday, 24 April 2026 |
| AGM | Thursday, 4 June 2026 |
| Results presentations (interim) | Monday, 24 August 2026 |
| **Ordinary dividend** | |
| Final dividend declared | 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 |

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

## 2. Shareholder diary for AGM

| | |
|---|---|
| Financial year-end | Wednesday, 31 December 2025 |
| Record date to receive Notice of AGM | Friday, 17 April 2026 |
| Last date to trade to be eligible to attend and vote at the AGM | Tuesday, 26 May 2026 |
| Record date to be eligible to vote | Friday, 29 May 2026 |
| Lodgement of electronic participation forms | Tuesday, 2 June 2026 |
| AGM | Thursday, 4 June 2026 |

# Analysis of ordinary shareholders

as at 24 December 2025

| | Number of shareholders | % of total shareholders | Number of shares | % of issued capital |
|---|---|---|---|---|
| **Shareholder spread** | | | | |
| 1 – 1,000 | 3,620 | 79.72% | 456,099 | 0.31% |
| 1,001 – 10,000 | 583 | 12.84% | 1,847,366 | 1.24% |
| 10,001 – 100,000 | 247 | 5.44% | 8,658,778 | 5.79% |
| 100,001 – 1,000,000 | 71 | 1.56% | 21,813,917 | 14.60% |
| Over 1,000,000 | 20 | 0.44% | 116,677,528 | 78.07% |
| **Total** | **4,541** | **100.00%** | **149,453,688** | **100.00%** |
| **Distribution of shareholders** | | | | |
| Assurance companies | 15 | 0.33% | 1,055,644 | 0.71% |
| Close corporations | 20 | 0.44% | 134,943 | 0.09% |
| Collective investment schemes | 108 | 2.38% | 40,118,694 | 26.84% |
| Control accounts | 2 | 0.04% | 689 | 0.00% |
| Custodians | 85 | 1.87% | 9,158,822 | 6.13% |
| Foundations & charitable funds | 30 | 0.66% | 861,957 | 0.58% |
| Hedge funds | 11 | 0.24% | 3,783,370 | 2.53% |
| Investment partnerships | 11 | 0.24% | 427,999 | 0.29% |
| Managed funds | 51 | 1.12% | 61,421 | 0.04% |
| Medical aid funds | 9 | 0.20% | 830,351 | 0.56% |
| Organs of state | 1 | 0.02% | 3,413,259 | 2.28% |
| Private companies | 100 | 2.20% | 18,002,316 | 12.05% |
| Public companies | 11 | 0.24% | 51,716,450 | 34.60% |
| Public entities | 1 | 0.02% | 34,625 | 0.02% |
| Retail shareholders | 3,768 | 82.98% | 7,376,478 | 4.94% |
| Retirement benefit funds | 136 | 2.99% | 9,479,015 | 6.34% |
| Scrip lending | 2 | 0.04% | 679 | 0.00% |
| Share schemes | 1 | 0.02% | 1,839,275 | 1.23% |
| Stockbrokers and nominees | 25 | 0.55% | 167,630 | 0.11% |
| Trusts | 142 | 3.13% | 982,877 | 0.66% |
| Unclaimed scrip | 12 | 0.26% | 7,194 | 0.00% |
| **Total** | **4,541** | **100.00%** | **149,453,688** | **100.00%** |

* *Pursuant to the provisions of section 56 of the Companies Act, 2008, disclosures from foreign nominee companies have been included in this analysis.*

| | Number of shareholders | % of total shareholders | Number of shares | % of issued capital |
|---|---|---|---|---|
| **Shareholder type** | | | | |
| **Non-public shareholders** | **12** | **0.26%** | **4,773,366** | **3.19%** |
| Directors – Unrestricted shareholdings | 5 | 0.11% | 2,766,638 | 1.85% |
| Directors – Restricted shareholdings | 5 | 0.11% | 160,103 | 0.11% |
| Directors – Indirect shareholdings | 1 | 0.02% | 7,350 | 0.00% |
| Share schemes | 1 | 0.02% | 1,839,275 | 1.23% |
| **Public shareholders** | **4,529** | **99.74%** | **144,680,322** | **96.81%** |
| **Total** | **4,541** | **100.00%** | **149,453,688** | **100.00%** |

| | Number of shares | % of issued capital |
|---|---|---|
| **Fund managers with a holding >5% of the issued shares** | | |
| M & G Investments | 19,079,935 | 12.77% |
| Allan Gray | 10,053,255 | 6.73% |
| **Total** | **29,133,190** | **19.49%** |
| **Beneficial shareholders with a holding >5% of the issued shares** | | |
| Caxton & CTP Publishers & Printers Ltd* | 52,062,123 | 34.83% |
| Gayatri Paper Mills Gauteng (Pty) Ltd | 17,201,245 | 11.51% |
| Mirabaud & Cie SA | 7,724,208 | 5.17% |
| M & G Investments | 7,519,903 | 5.03% |
| **Total** | **84,507,479** | **56.54%** |

* *Included Moolman and Coburn Partnership 420,778 shares.*

# Share price performance

| | |
|---|---|
| Opening price 2 January 2025 | R28.54 |
| Closing price 31 December 2025 | R22.50 |
| Closing high for period | R30.24 |
| Closing low for period | R19.90 |
| Number of shares in issue | 149,453,688 |
| Volume traded during period | 15,154,459 |
| Ratio of volume traded to shares issued | 10.1% |
| Rand value traded during the period | R373,726,279 |
| Price/earnings ratio at 31 December 2025 | 7.3 |
| Earnings yield as at 31 December 2025 | 13.6 |
| Dividend yield as at 31 December 2025 | 2.7 |
| Market capitalisation at 31 December 2025 | R3,362,707,980 |

# Glossary of terms

The following acronyms and terms are used throughout the Integrated Report:

| | |
|---|---|
| AGM | Annual General Meeting |
| AGOA | African Growth and Opportunity Act |
| Basic EPS | Earnings for the year attributable to equity holders of Mpact divided by the weighted average number of ordinary shares in issue during the year |
| B-BBEE | Broad-Based Black Economic Empowerment |
| BEE | Black Economic Empowerment |
| BM | Board Machine |
| Board | Board of Directors of Mpact |
| BSP | Bonus Share Plan |
| CEO | Chief Executive Officer |
| CFO | Chief Financial Officer |
| CGU | Cash-generating unit |
| Closing PE ratio | Market value per share at 31 December divided by HEPS |
| Companies Act | Companies Act, No. 71 of 2008 as amended |
| CIPC | Intellectual Property Commission |
| CSI | Corporate Social Investment |
| DSA | Deferred Share Award |
| EBIT | Earnings before interest and taxation |
| EBITDA | Earnings before interest, tax, depreciation and amortisation |
| EE | Employment Equity |
| EHS | Life Employee Health Solutions |
| EPR | Extended Producer Responsibility |
| EPS | Earnings per share |

| | |
|---|---|
| ESG | Environmental, social and governance |
| Exco | The Executive Committee |
| FMCG | Fast Moving Consumer Goods |
| FSC | Forest Stewardship Council |
| GHG | Greenhouse gas |
| GJ | Gigajoules |
| GRI | Global Reporting Initiative |
| GRSM | Group Risk and Sustainability Manager |
| HDPE | High Density Polyethylene |
| HEPS | Headline earnings per share – headline earnings divided by the weighted average number of ordinary shares in issue during the year |
| HR | Human resources |
| IAS | International Accounting Standards |
| IFC | Inside front cover |
| IFRIC | International Financial Reporting Interpretations Committee |
| IFRS | International Financial Reporting Standards |
| IP | Intellectual property |
| ISSB | International Sustainability Standards Board |
| IT/ICT | Information Technology/Information Communication and Technology |
| JSE | Johannesburg Stock Exchange Limited |
| King IV™ | King Report on Corporate Governance for South Africa 2016 |
| KPA | Key Performance Area |
| KPI | Key Performance Indicator |
| KTPA | Kilo-Tonnes Per Annum |

| | |
|---|---|
| KZN | KwaZulu-Natal |
| Listings Requirements | Listings Requirements of the JSE |
| LTI | Long-term incentive |
| LTIFR | Lost time injury frequency rates calculated as: LTIFR = (Work-related Fatality + lost time injuries) / man-hours worked x 200,000* |
| LTIP | Long-Term Incentive Plan |
| MD | Managing Director |
| MOI | Memorandum of Incorporation |
| Mpact or the Group | Mpact Limited and its subsidiaries |
| Mpact Operations | Mpact Operations (Pty) Ltd |
| NAV per share | Net asset value per share – the net asset value of the company divided by the number of shares in issue |
| OCC | Old Corrugated Containers |
| Operating profit margin | EBIT as a percentage of revenue |
| PAMSA | Paper Manufacturing Association of South Africa |
| PDIs | Previously Disadvantaged Individuals |
| PE | Price to earnings ratio calculated by dividing the market value per share by HEPS, market value per share divided by HEPS |
| PET | Polyethylene terephthalate |
| PETCO | The PET Recycling Company |
| PO | Prescribed Officer |
| POLYCO | Polyolefin Responsibility Organisation |

## Glossary of terms *(continued)*

| | |
|---|---|
| PRO | Producer responsibility organisation |
| PSA | Performance Share Award |
| PSP | Performance Share Plan |
| PV | Photovoltaic, related to solar installations |
| QSR | Quick Services Restaurant |
| ROCE | Return on Capital Employed |
| rPET | Recycled PET |
| RWC | A restricted work case (RWC) occurs when a person is injured while at work and as a result of the injury is unable to perform his/her regular duties but can perform duties of a different nature on his/her next shift |
| SABS | South African Bureau of Standards |
| SAICA | South African Institute of Chartered Accountants |
| SHE | Safety, Health and Environmental |
| SIFR | Serious Injury Frequency Rate. Serious injuries include work-related fatalities, Lost Time Injuries and Restricted Work Cases. The SIFR is calculated by: SIFR = (Work-related Fatalities + LTIs + RWCs)/man-hours worked x 200,000* |
| Solar PV | Solar photovoltaic |
| SR | Sustainability Report |
| STI | Short-term incentives |
| TCFD | Task Force on Climate-related Disclosures |
| TFCD | Task Force on Climate-related Financial Disclosures |
| TGCOE | Total Guaranteed Cost of Employment |
| the Board | The Board of Directors of Mpact |
| the company | Mpact Limited |
| the current year | The financial year ended 31 December 2025 |
| the next year | The financial year ending 31 December 2026 |
| the previous year | The financial year ended 31 December 2024 |
| TSR | Total Shareholder Return |
| underlying earnings | Net profit after tax and before special items attributable to equity holders of the company |
| underlying EBIT | Earnings before interest and taxes and before special items |
| underlying operating profit margin | Operating profit including subsidiaries and joint ventures before special items as a percentage of revenue |
| UN SDGs | United Nations Sustainable Development Goals |
| WCPT | West Coast Paper Traders – a subsidiary company |

# Corporate information and advisers

**Mpact Limited**
(Incorporated in the Republic of South Africa)
(Registration number 2004/025229/06)
JSE share code: MPT
A2X share code: MPT

**Mpact Operations (Pty) Ltd**
(Incorporated in the Republic of South Africa)
(Registration number 1998/004341/07)

**Mpact registered address**
4th Floor
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Johannesburg
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South Africa

**Postal address**
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Johannesburg
2196
South Africa

**Acting Group Company Secretary**
M Vermeulen, representing CorpStat Governance Services Proprietary Limited

**Registered office**
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No.3 Melrose Boulevard
Melrose Arch, 2196

**Sponsors**
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Marshalltown
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**Directors**
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M Makanjee
DG Wilson
ABA Conrad
FC Futwa
S Mayet
CD Raphiri

*Executive Directors:*
BW Strong (Chief Executive Officer)
JJ Snyman (Chief Financial Officer)

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