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**THE CIRCULAR
ECONOMY**



2025

**UNAUDITED CONDENSED CONSOLIDATED
INTERIM FINANCIAL STATEMENTS**

for the six months ended 30 June 2025

KEY FINANCIAL DATA

- Net asset value per share increased 5% to R35.85 from June 2024
- Satisfactory progress on strategic projects and portfolio optimisation
- Revenue up 3% to R6.4 billion
- EBITDA of R625 million
- Underlying operating profit of R315 million
- Headline earnings per share of 93 cents
- Interim dividend per share of 30 cents

COMMENTARY FROM CONTINUING OPERATIONS

OVERVIEW

The Group continued to face a persistently challenging trading environment for the six months ended 30 June 2025, resulting in trading and profitability ending below expectations. The general economy remained subdued, despite lower interest rates and inflation, while uncertainty across local and global markets negatively impacted business confidence.

Despite the economic downturn, good volume growth was realised in containerboard, Plastics FMCG Atlantis and Pinetown, citrus cartons, jumbo bins and agricultural crates. These gains were, however, offset by declines in cartonboard, corrugated, Plastics FMCG Wadeville and beverage crates.

Bruce Strong, Mpact Chief Executive Officer, said: “*We continue to make good progress on our strategic capital projects, which focus on growth sectors and investments in innovative, higher-margin, and sustainable products. We remain confident in our value-enhancing strategy and prospects, notwithstanding the recent headwinds. Our solar PV generated power amounting to 16MWp, resulted in a saving of over R20 million in electricity costs during the first half of the year.*”

The R1.3 billion upgrade project at the Mkhondo mill has reached a significant milestone, with construction and commissioning of the sodium lignosulphonate (SLS) plant complete, and the pulp mill upgrade in its final stage of construction. We are encouraged by the progress and remain on track to complete the pulp mill commissioning during the third quarter of this year. Thereafter, we will require several months to optimise both plants to reach design specifications and conduct SLS customer trials. This marks a major step forward in enhancing our operational capabilities and product portfolio to support future growth.”

The global cyclical downturn in the paper industry led to lower margins in our Paper business, as selling prices decreased more than input costs, particularly due to higher local recovered paper prices. We anticipate that this will remain the case for the remainder of the year. Despite this challenging environment, we were able to grow local and export containerboard volumes due to the competitive position of our Felixton paper mill, albeit at lower margins.

Demand from the fruit sector was up on the first half of the year (prior period), with good growth in plastic crates and citrus cartons partially offset by lower sales volumes in banana and avocado cartons. We anticipate continued growth in the agricultural sector in the second half of 2025. The industrial market remained weak, impacting our Springs mill, the Paper Converting business and beverage crates. As anticipated, FMCG Wadeville’s volume declined significantly following the expiry of two supply contracts with a major customer in June 2024.

Mpact Operations (Pty) Ltd, the Group’s main trading entity in South Africa, retained its Level 1 B-BBEE status.

COMMENTARY FROM CONTINUING OPERATIONS (CONTINUED)

FINANCIAL REVIEW

Group revenue from continuing operations for the period ended 30 June 2025 increased by 3.2% compared to the prior period to R6.370 billion (June 2024: R6.173 billion), primarily driven by increased containerboard sales volumes in the Paper business.

Revenue growth achieved in the Paper business was offset by higher variable costs, particularly increased recovered paper prices and energy costs, as well as lower sales volumes in the Plastics business, leading to a 2.8% reduction in the Group's gross profit.

Underlying earnings before interest, depreciation and amortisation (EBITDA) decreased by 14.5% to R625 million (June 2024: R731 million) and operating profit by 25.5% to R315 million (June 2024: R423 million). Fixed costs were well managed, increasing by 1.9% on the prior period.

Return on capital employed (ROCE) for continuing operations was 9.3% (June 2024: 13.5%), reflecting the impact of substantial capital investments in strategic growth projects which are still underway, as well as lower profitability. Excluding capital work-in-progress, ROCE for the period was 10.9% (June 2024: 15.5%).

PAPER BUSINESS

Revenue for the Paper business increased by 6.9% to R5.4 billion (June 2024: R5.1 billion), due to a 5.9% increase in sales volumes and a 1.0% increase in the average selling price. Volumes increased due to improved containerboard sales, somewhat offset by lower cartonboard and corrugated sales volumes.

Gross profit was in line with the prior period, with the benefits of increased sales and production volumes offset by higher recovered paper prices, energy costs and variable selling expenses associated with a higher proportion of containerboard exports. The gross profit margin declined by 2.7 percentage points.

Underlying operating profit declined to R346 million (June 2024: R414 million) due to a 3.7% increase in fixed costs related primarily to extensive commercial downtime in the prior period.

The Recycling business successfully increased collection volumes during the period to ensure a consistent supply to our paper mills and external customers. Recovered paper prices were up significantly compared to the prior period due to continued export demand, especially from India.

Paper Manufacturing increased containerboard sales volumes by 20.3% following the 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 following the recent upgrade. This approach mitigated the impact of cheap recycled containerboard imports, and no commercial downtime was incurred at Felixton or Mkhondo during the current period. Performance at the Mkhondo mill was impacted by construction related to the upgrade project.

Cartonboard sales volumes from the Springs paper mill declined by 9.5% due to subdued local market conditions and import competition. Springs mill took 15 days of commercial downtime in the current period to manage stock levels. In addition, the mill incurred 18 days of downtime due to external utility supply interruptions.

Paper Converting's revenue was down 1.3% compared to the prior period, with lower sales volumes partially offset by an increase in the average selling price. Corrugated sales to the fruit sector were flat and industrial sales were lower due to weak demand.

PLASTICS BUSINESS

Revenue in the Plastics business decreased by 14.7% to R936 million (June 2024: R1,097 million) primarily due to lower sales volumes at FMCG Wadeville, as anticipated, as well as lower beverage crate sales in Bins & Crates. This was partially offset by a favourable product mix resulting from the exit of the abovementioned contracts, as well as good revenue growth in the rest of the FMCG business.

Underlying operating profit was R7 million (June 2024: R64 million) due to a 13.9% reduction in gross profit arising from lower sales volumes. Controllable costs were well managed. The gross profit margin was similar to the prior period, and fixed costs decreased by 4.5%. Notwithstanding the decline in profitability in the first half of the year, we expect an improved full-year result from the Plastics business compared to the prior year. Historically, profitability in the Plastics business, particularly Bins & Crates, was heavily weighted towards the second half of the year, and we expect 2025 to be similar.

Bins & Crates experienced good growth in jumbo bins and agricultural crates, which was more than offset by lower beverage crate sales.

COMMENTARY FROM CONTINUING OPERATIONS (CONTINUED)

Although the decline in sales volumes at FMCG Wadeville was expected, the new business secured to offset some of the volume losses did not meet expectations due to the slower-than-expected rollout of new customer projects. Additionally, several existing customers were affected by a vinegar shortage, which disrupted mayonnaise production. Despite these challenges, we still anticipate a much-improved second half in the FMCG Wadeville business.

The rest of the FMCG business increased sales volumes and operating profits in the current period, driven in part by robust demand in our customers' personal care export markets. Both operations benefit from a good customer base, and the outlook remains positive.

NET FINANCE COSTS

Net finance costs decreased to R119 million (June 2024: R148 million) mainly due to lower interest rates and R36 million (June 2024: R19 million) of interest costs capitalised to the Mkhondo mill project.

TAXATION

The effective tax rate for continuing operations of 26.8% is in line with the statutory rate. The prior period tax charge for continuing operations was restated to disclose the discontinued operation on an after-tax basis. The restatement did not affect the overall tax charge for total operations in the prior period, which remained unchanged.

EARNINGS PER SHARE

Headline earnings per share and basic earnings per share decreased to 93.0 cents (June 2024 – restated: 128.1 cents) and 94.2 cents (June 2024 – restated: 129.8 cents), respectively.

NET DEBT

Net debt of R2.985 billion was lower than the prior period (June 2024: R3.230 billion), but increased from the 2024 financial year end (December 2024: R2.371 billion), with cash generated from operations being offset by working capital outflows, typical for the first half of the year, and capital investments, in line with the Group's strategy.

SUBSEQUENT EVENTS

On 1 August 2025, Mpact increased its shareholding in Seyfert Corrugated Western Cape (Pty) Ltd from 49% to 74% for a cash consideration of R42.6 million.

OUTLOOK

A significant uplift in the South African economy seems unlikely in the near term. Coupled with a challenging global backdrop, we expect trading conditions to remain difficult in the second half of the year, with a corresponding impact on profitability. Despite these challenges, we will continue to focus on realising benefits from our portfolio optimisation and other strategic projects.

Based on current projections, no commercial downtime is anticipated at the containerboard mills. However, continued pressure on selling prices is expected to offset the positive operating leverage benefits. We also anticipate cartonboard prices and sales volumes to remain under pressure due to weak local demand and competitive imports. Unplanned utility disruptions continue to be an issue, particularly at the Springs paper mill and some other Ekurhuleni-based operations.

The Mkhondo mill upgrade project is on track for the construction and commissioning of the pulp mill to be completed during the third quarter, following approximately four weeks of downtime. Thereafter, we will require several months to optimise both the new SLS plant and upgraded pulp mill to reach design specifications and conduct SLS customer trials. This marks a significant step forward in enhancing our operational capabilities and product portfolio to support future growth. The contribution from this project to the Group's overall profitability will be limited for the 2025 financial year.

We continue to see good growth from the agricultural sector in Paper Converting and Bins & Crates, which has been a strategic focus area for the Group. According to the Citrus Growers Association's latest estimates, citrus exports for 2025 are expected to exceed those of the prior year, and long-term structural growth is still anticipated from this sector.

We expect an improved full-year result from the Plastics business compared to the prior year. Both FMCG Wadeville and Bins & Crates have restructured their cost base, which, along with higher sales volumes, should improve margins.

We remain confident in our value-enhancing strategy and committed to executing it effectively. Mpact's strategy focuses on growth sectors and investments in innovative, higher-margin, and sustainable products. These sectors include fruit exports, returnable transit packaging, convenience shopping and recycling, some of which are somewhat insulated from the South African consumer spending patterns.

Our strategy aims to consistently yield tangible benefits for the business and improved returns for our shareholders.

COMMENTARY FROM CONTINUING OPERATIONS (CONTINUED)

BOARD CHANGES

Effective 29 May 2025, Mr AJ Phillips resigned as a director of the Company, and accordingly, as the Chairman of the Board, member of the Remuneration Committee and the Chairman of the Nomination Committee.

Mr PCS Luthuli was appointed Chairman of the Board, effective 29 May 2025, in accordance with the Board's succession plan.

The following changes were made to the composition of the Board committees with effect from 5 June 2025:

- Mr DG Wilson was appointed as the Chairman of the Remuneration Committee;
- Ms FC Futwa was appointed as a member of the Social and Ethics Committee;
- Ms ABA Conrad was appointed as a member of the Remuneration and Nomination Committee; and
- Mr S Mayet was appointed as the Chairman of the Audit and Risk Committee.

DIVIDENDS

The Board declared an interim gross cash dividend of 30 cents per ordinary share for the six months ended 30 June 2025 (June 2024: 30 cents per ordinary share). A dividend withholding tax of 20% will be applicable to all shareholders who are not exempt, which equates to a dividend of 24 cents per ordinary share net of dividend withholding tax. The dividend has been declared from income reserves.

The Company's total number of issued ordinary shares at the date of this announcement is 149,453,688. Mpact's income tax reference number is 9003862175.

Salient dates for the cash dividend distribution

Event	2025
Publication of dividend declaration	Monday, 4 August
Last day of trade to receive a dividend	Tuesday, 26 August
Shares commence trading "ex" dividend	Wednesday, 27 August
Record date	Friday, 29 August
Payment date	Monday, 1 September

Share certificates may not be dematerialised or rematerialised between Wednesday, 27 August 2025 and Friday, 29 August 2025, both days inclusive.

PCS Luthuli

Chairman

BW Strong

Chief Executive Officer

4 August 2025

CONDENSED CONSOLIDATED INTERIM STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

for the six months ended 30 June 2025

	Note	Unaudited six months ended 30 June 2025 R'm	Restated ¹ unaudited six months ended 30 June 2024 R'm	Audited year ended 31 December 2024 R'm
CONTINUING OPERATIONS				
Revenue from contracts with customers	5	6,369.6	6,172.9	13,290.7
Material, energy and fixed overhead recovery		(3,450.5)	(3,217.9)	(7,198.3)
Variable selling expenses		(494.6)	(461.1)	(983.7)
Other net operating expenses ²		(1,799.6)	(1,763.2)	(3,607.3)
Depreciation, amortisation and impairment		(310.2)	(308.2)	(575.6)
Operating profit	6	314.7	422.5	925.8
Share of profit from equity accounted investees		8.8	11.7	18.5
Profit from operations and equity accounted investees		323.5	434.2	944.3
Net finance costs		(119.3)	(147.9)	(297.2)
Investment income		11.7	12.5	24.5
Finance costs	7	(131.0)	(160.4)	(321.7)
Profit before taxation from continuing operations		204.2	286.3	647.1
Tax expense		(52.3)	(75.0)	(77.4)
Profit for the period from continuing operations		151.9	211.3	569.7
DISCONTINUED OPERATION				
Profit for the period from discontinued operation	13	–	24.3	22.4
Profit for the period		151.9	235.6	592.1
OTHER COMPREHENSIVE INCOME				
Items that will not be reclassified subsequently to profit or loss				
Actuarial gains on post-retirement benefit schemes		–	–	1.8
Tax effect		–	–	(0.5)
Items that may be reclassified subsequently to profit or loss				
Exchange differences on translation of foreign operations		4.7	(1.7)	(2.5)
Other comprehensive income/(loss) for the period		4.7	(1.7)	(1.2)
Total comprehensive income for the period		156.6	233.9	590.9
Profit attributable to:				
Equity holders of Mpact		138.9	215.5	504.4
Non-controlling interests		13.0	20.1	87.7
Profit for the period		151.9	235.6	592.1
Total comprehensive income attributable to:				
Equity holders of Mpact		143.2	213.8	503.5
Non-controlling interests		13.4	20.1	87.4
Total comprehensive income for the period		156.6	233.9	590.9
Earnings per share ("EPS") for profit attributable to equity holders of Mpact				
Basic EPS (cps) from continuing operations	8	94.2	129.8	327.1
Diluted EPS (cps) from continuing operations	8	94.1	129.7	326.4
Basic EPS (cps) from discontinued operation	8	–	16.5	15.2
Diluted EPS (cps) from discontinued operation	8	–	16.5	15.2
Basic EPS (cps) from total operations	8	94.2	146.3	342.3
Diluted EPS (cps) from total operations	8	94.1	146.2	341.6

1. The statement of profit or loss has been restated to present Versapak, the discontinued operation, on a post-tax basis. Refer to note 3.

2. Other net operating expenses include a decrease in the expected credit loss on financial assets of R1.6 million (30 June 2024: decrease of R7.6 million; 31 December 2024: increase of R30.2 million).

CONDENSED CONSOLIDATED INTERIM STATEMENT OF FINANCIAL POSITION

as at 30 June 2025

	Note	Unaudited as at 30 June 2025 R'm	Unaudited as at 30 June 2024 R'm	Audited as at 31 December 2024 R'm
ASSETS				
Goodwill and other intangible assets		421.8	430.0	426.0
Property, plant and equipment	9	5,347.5	4,984.4	5,303.7
Investment property		120.8	–	–
Right-of-use assets		218.9	245.2	221.5
Investments in equity accounted investees		186.9	187.6	182.1
Other financial assets		50.9	51.4	45.9
Deferred tax assets		89.8	67.8	94.5
Non-current assets		6,436.6	5,966.4	6,273.7
Inventories		2,326.2	2,316.8	2,156.2
Trade and other receivables		2,816.0	3,080.5	2,581.1
Other financial assets		5.2	4.2	6.8
Derivative financial instruments		2.2	–	5.9
Current tax receivables		17.0	11.6	5.5
Cash and cash equivalents		702.4	543.9	975.5
Current assets		5,869.0	5,957.0	5,731.0
Assets held for sale	13	–	254.5	–
Total assets		12,305.6	12,177.9	12,004.7
EQUITY AND LIABILITIES				
Capital and reserves				
Stated capital	10	2,360.9	2,360.9	2,360.9
Retained earnings		2,999.6	2,720.5	2,969.7
Reserves		(3.3)	15.7	14.7
Total attributable to equity holders of Mpact		5,357.2	5,097.1	5,345.3
Non-controlling interests in subsidiaries		527.2	460.9	520.6
Total equity		5,884.4	5,558.0	5,865.9
Interest and non-interest-bearing borrowings	11	3,400.6	3,409.7	3,057.6
Lease liabilities		205.6	240.0	207.8
Retirement benefits obligation		31.8	33.1	31.7
Deferred tax liabilities		351.8	276.6	320.4
Provisions		2.5	2.3	2.4
Non-current liabilities		3,992.3	3,961.7	3,619.9
Interest and non-interest-bearing borrowings	11	14.7	70.5	18.7
Lease liabilities		66.0	54.0	62.6
Trade and other payables		2,336.2	2,487.5	2,396.8
Provisions		5.4	11.9	6.5
Derivative financial instruments		4.5	2.4	2.7
Current tax liabilities		2.1	24.7	31.6
Current liabilities		2,428.9	2,651.0	2,518.9
Liabilities held for sale	13	–	7.2	–
Total liabilities		6,421.2	6,619.9	6,138.8
Total equity and liabilities		12,305.6	12,177.9	12,004.7

CONDENSED CONSOLIDATED INTERIM STATEMENT OF CHANGES IN EQUITY

for the six months ended 30 June 2025

	Stated capital R'm	Share-based payment reserve R'm	Post-retirement benefit reserve R'm	Other reserves ¹ R'm	Retained earnings R'm	Total attributable to equity holders of Mpact Limited R'm	Non-controlling interests R'm	Total equity R'm
Balance at 31 December 2023 (audited)	2,360.9	71.5	35.0	(77.7)	2,637.0	5,026.7	440.8	5,467.5
Total comprehensive income for the period	–	–	–	(1.7)	215.5	213.8	20.1	233.9
Dividends paid to Mpact shareholders ²	–	–	–	–	(110.9)	(110.9)	–	(110.9)
Purchase of treasury shares	–	–	–	(58.8)	–	(58.8)	–	(58.8)
Share plan charges for the period	–	18.7	–	–	–	18.7	–	18.7
Vesting of shares under employee share scheme	–	(33.8)	–	62.5	(21.1)	7.6	–	7.6
Balance at 30 June 2024 (unaudited)	2,360.9	56.4	35.0	(75.7)	2,720.5	5,097.1	460.9	5,558.0
Total comprehensive income for the period	–	–	1.3	(0.5)	288.9	289.7	67.3	357.0
Acquisition by non-controlling interest	–	–	–	–	–	–	0.4	0.4
Dividends paid to Mpact shareholders ²	–	–	–	–	(44.3)	(44.3)	–	(44.3)
Dividends paid to non-controlling interests ³	–	–	–	–	–	–	(8.0)	(8.0)
Share plan charges for the period	–	4.3	–	–	–	4.3	–	4.3
Vesting of shares under employee share scheme	–	(6.2)	–	0.1	4.6	(1.5)	–	(1.5)
Balance at 31 December 2024 (audited)	2,360.9	54.5	36.3	(76.1)	2,969.7	5,345.3	520.6	5,865.9
Total comprehensive income for the period	–	–	–	4.3	138.9	143.2	13.4	156.6
Dividends paid to Mpact shareholders ²	–	–	–	–	(111.1)	(111.1)	–	(111.1)
Dividends paid to non-controlling interest	–	–	–	–	–	–	(6.8)	(6.8)
Purchase of treasury shares	–	–	–	(21.9)	–	(21.9)	–	(21.9)
Share plan charges for the period	–	2.5	–	–	–	2.5	–	2.5
Vesting of shares under employee share scheme	–	(29.7)	–	26.8	2.1	(0.8)	–	(0.8)
Balance at 30 June 2025 (unaudited)	2,360.9	27.3	36.3	(66.9)	2,999.6	5,357.2	527.2	5,884.4

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

2. The dividend per share paid to equity holders of Mpact Limited was 75c per share (30 June 2024: 75c per share, 31 December 2024: 30c per share which was declared at interim reporting).

3. Of the R8 million dividend declared to the non-controlling interest, R4 million remained unpaid as at 31 December 2024 and was subsequently settled during the current year.

CONDENSED CONSOLIDATED INTERIM STATEMENT OF CASH FLOWS

for the six months ended 30 June 2025

	Note	Unaudited six months ended 30 June 2025 R'm	Unaudited six months ended 30 June 2024 R'm	Audited year ended 31 December 2024 R'm
Cash flows from operating activities				
Operating cash flows before movements in working capital		634.7	768.2	1,545.4
Net (increase)/decrease in working capital		(462.0)	(252.5)	323.0
Cash generated from operations	17	172.7	515.7	1,868.4
Dividends from equity accounted investees		3.9	3.9	16.3
Taxation paid		(58.0)	(88.3)	(92.1)
Net cash inflows from operating activities		118.6	431.3	1,792.6
Cash flows from investing activities				
Additions to property, plant and equipment and intangible assets		(399.3)	(490.0)	(1,003.1)
Acquisition of equity accounted investee		–	(67.0)	(67.0)
Cash received from disposal of business		–	–	254.5
Other investing activities		12.1	(3.3)	13.2
Net cash outflows from investing activities		(387.2)	(560.3)	(802.4)
Cash flows from financing activities				
Repayment of borrowings		(574.1)	(539.7)	(1,419.4)
Proceeds from borrowings raised		913.4	710.0	1,169.8
Repayment of lease liabilities		(32.7)	(31.6)	(62.2)
Finance costs paid ¹		(164.6)	(177.3)	(366.9)
Acquisition by non-controlling interest		–	–	0.4
Purchase of treasury shares		(21.9)	(58.8)	(58.8)
Dividends paid to Mpact shareholders		(111.1)	(110.9)	(155.2)
Dividends paid to non-controlling interests		(10.8)	–	(4.0)
Net cash outflows from financing activities		(1.8)	(208.3)	(896.3)
Net (decrease)/increase in cash and cash equivalents		(270.4)	(337.3)	93.9
Effect of movements in exchange rates on cash held		(2.7)	(0.3)	0.1
Net cash and cash equivalents at beginning of period		975.5	881.5	881.5
Net cash and cash equivalents at end of period		702.4	543.9	975.5

1. Finance costs paid include R13.4 million (30 June 2024: R11.1 million, 31 December 2024: R24.4 million) from lease liabilities.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

for the six months ended 30 June 2025

1. BASIS OF PREPARATION

The condensed consolidated interim financial statements have been prepared in accordance with IFRS Accounting Standards and contain information required by IAS 34: *Interim Financial Reporting* as issued by the International Accounting Standards Board ("IASB"). The condensed consolidated interim financial statements are in compliance with the JSE Limited's Listings Requirements, the South African Companies Act, 2008, the South African Institute of Chartered Accountants ("SAICA") Financial Reporting Guide as issued by the Accounting Practices Committee and the Financial Reporting Pronouncements as issued by the Financial Reporting Standards Council.

The condensed consolidated interim financial statements are presented in South African Rand, which is Mpact's functional currency and have been prepared on the historical cost basis, with the exception of certain financial instruments measured at fair value. The results for the interim period should be read in conjunction with the audited financial statements for the year ended 31 December 2024.

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.

The preparation of Mpact's consolidated results for the half year ended 30 June 2025 was supervised by the Chief Financial Officer, JJ Snyman CA(SA). The interim condensed consolidated financial statements have not been audited or reviewed by Mpact's external auditor.

2. SIGNIFICANT ACCOUNTING POLICIES, ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

SIGNIFICANT ACCOUNTING POLICIES

The accounting policies and methods of computation used are in terms of IFRS Accounting Standards and are consistent with those applied in the preparation of the annual consolidated financial statements for the year ended 31 December 2024.

The following amendment was adopted in the current period:

- IAS 21: *Lack of Exchangeability*

The amendment had no impact on the condensed consolidated interim financial statements on adoption.

SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The significant judgements made by management in applying Mpact's accounting policies and the key sources of estimation uncertainty were consistent with those applied to the consolidated financial statements for the year ended 31 December 2024.

3. RESTATEMENT OF TAX EXPENSE AND PROFIT FROM DISCONTINUED OPERATION

As part of the prior year JSE's proactive monitoring review of financial statements, it was noted that Mpact had incorrectly presented the profit for the year of the discontinued operation, being Versapak a division of Mpact Operations (Proprietary) Limited, on a pre-tax basis. At the date of classifying Versapak as a discontinued operation, Mpact concluded that the tax expense relating to the discontinued operation should be presented as part of the legal statutory entity to which it relates as opposed to the discontinued operation, considering that the discontinued operation was only a division of the legal entity. As IFRS 5 does not provide any concessions relating to the tax disclosure, management has subsequently corrected the presentation. Mpact has restated the prior year in order to present the discontinued business on a post-tax basis. In doing so, the continuing operations tax presentation was also affected by the restatement. The effect to the consolidated statement of profit or loss and other comprehensive income is presented below:

	Previously reported R'm	Restatement R'm	Restated R'm
30 June 2024			
Continuing operations			
Profit before taxation from continuing operations	286.3	–	286.3
Tax expense	(83.7)	8.7	(75.0)
Profit for the period from continuing operations	202.6	8.7	211.3
Discontinued operation			
Profit for the period from discontinued operation	33.0	(8.7)	24.3
Profit for the period from total operations	235.6	–	235.6

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (CONTINUED)

for the six months ended 30 June 2025

3. RESTATEMENT OF TAX EXPENSE AND PROFIT FROM DISCONTINUED OPERATION (CONTINUED)

	Previously reported R'm	Restatement R'm	Restated R'm
Profit attributable to:			
Equity holders of Mpact	215.5	–	215.5
Non-controlling interests	20.1	–	20.1
	235.6	–	235.6
Earnings per share ("EPS") for profit attributable to equity holders of Mpact:			
Basic EPS (cps) from continuing operations	123.9	5.9	129.8
Diluted EPS (cps) from continuing operations	123.8	5.9	129.7
Basic EPS (cps) from discontinued operation	22.4	(5.9)	16.5
Diluted EPS (cps) from discontinued operation	22.4	(5.9)	16.5
Basic headline EPS from continuing operations	122.2	5.9	128.1
Diluted headline EPS from continuing operations	122.2	5.9	128.1
Basic headline EPS from discontinued operation	22.4	(5.9)	16.5
Diluted headline EPS from discontinued operation	22.4	(5.9)	16.5
Basic underlying EPS from continuing operations	123.9	5.9	129.8
Diluted underlying EPS from continuing operations	123.8	5.9	129.7
Basic underlying EPS from discontinued operation	22.4	(5.9)	16.5
Diluted underlying EPS from discontinued operation	22.4	(5.9)	16.5

The consolidated statement of financial position, consolidated statement of cash flows and the consolidated statement of changes in equity remained unchanged.

4. SEASONALITY

Seasonal effects in Mpact's markets have historically resulted in higher revenue and operating profits for the second half, when compared to the first half of the financial year.

5. SEGMENT INFORMATION

Mpact's operating segments are reported in a manner consistent with the internal reporting provided to the CEO and CFO. Mpact has two reportable segments, namely Paper and Plastics.

Management has oversight to certain operating segment measures in making resource allocation decisions and monitoring segment performance. The reporting segment measurements that are required to be disclosed under IFRS 8 adhere to the recognition and measurement criteria presented in Mpact's accounting policies. All goods sold to customers occur at a point in time.

	Unaudited six months ended 30 June 2025 R'm	Restated ¹ unaudited six months ended 30 June 2024 R'm	Restated ¹ audited year ended 31 December 2024 R'm
Mpact's segment analysis of revenue			
Paper	5,446.1	5,096.6	11,007.8
Plastics	936.2	1,097.4	2,334.8
Revenue before inter-segment revenue	6,382.3	6,194.0	13,342.6
Less: Inter-segment revenue	(12.7)	(21.1)	(51.9)
Total	6,369.6	6,172.9	13,290.7

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (CONTINUED)

for the six months ended 30 June 2025

5. SEGMENT INFORMATION (CONTINUED)

	Unaudited six months ended 30 June 2025 R'm	Restated ¹ unaudited six months ended 30 June 2024 R'm	Restated ¹ audited year ended 31 December 2024 R'm
External revenue by product type			
Paper solutions	5,433.5	5,078.2	10,972.3
Recycled containerboard, cartonboard and other materials	2,493.0	2,103.6	4,724.3
Corrugated packaging, bags and sacks	2,940.5	2,974.6	6,248.0
Plastic packaging solutions	936.1	1,094.7	2,318.4
Total	6,369.6	6,172.9	13,290.7
External revenue by location of customer			
South Africa (country of domicile)	5,643.5	5,517.2	11,735.7
Rest of Africa	605.1	577.5	1,353.6
Rest of world	121.0	78.2	201.4
Total	6,369.6	6,172.9	13,290.7
Significant external components of operating profit			
Material, energy and fixed overhead recovery			
Paper ¹	(2,992.7)	(2,682.0)	(5,925.8)
Plastics	(457.8)	(535.9)	(1,272.5)
Total	(3,450.5)	(3,217.9)	(7,198.3)
Variable selling expenses			
Paper	(431.3)	(379.0)	(826.3)
Plastics	(63.3)	(82.1)	(157.4)
Total	(494.6)	(461.1)	(983.7)
Other net operating expenses			
Paper	(1,360.7)	(1,304.6)	(2,696.5)
Plastics	(283.8)	(303.5)	(605.4)
Corporate	(155.1)	(155.1)	(305.4)
Total	(1,799.6)	(1,763.2)	(3,607.3)
Material expenses included in other net operating expenses			
Staff costs			
Paper	(847.2)	(809.6)	(1,653.5)
Plastics	(188.2)	(187.1)	(372.7)
Corporate	(67.2)	(69.3)	(127.0)
Total	(1,102.6)	(1,066.0)	(2,153.2)
Maintenance expenses			
Paper	(252.0)	(268.9)	(536.7)
Plastics	(50.8)	(61.1)	(122.9)
Corporate	(0.2)	(0.4)	(0.8)
Total	(303.0)	(330.4)	(660.4)

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (CONTINUED)

for the six months ended 30 June 2025

5. SEGMENT INFORMATION (CONTINUED)

	Unaudited six months ended 30 June 2025 R'm	Restated ¹ unaudited six months ended 30 June 2024 R'm	Restated ¹ audited year ended 31 December 2024 R'm
Depreciation and amortisation			
Paper	(170.7)	(177.7)	(330.8)
Plastics	(99.8)	(93.9)	(171.8)
Corporate	(39.7)	(36.6)	(75.6)
Total	(310.2)	(308.2)	(578.2)
Reversal of impairment of plant and equipment and goodwill			
Paper	–	–	1.1
Plastics	–	–	1.5
Total	–	–	2.6
Total depreciation, amortisation and impairment	(310.2)	(308.2)	(575.6)
Operating segment operating profit/(loss)			
Paper ¹	345.6	414.4	932.0
Plastics	6.6	63.9	89.3
Corporate ¹	(22.9)	(31.0)	(37.4)
Inter-segment elimination	(14.6)	(24.8)	(60.7)
Segments total	314.7	422.5	923.2
Special items ²	–	–	2.6
Operating profit	314.7	422.5	925.8
Share of equity accounted investee's profit	8.8	11.7	18.5
Net finance costs	(119.3)	(147.9)	(297.2)
Profit before tax and discontinued operation	204.2	286.3	647.1
Assets			
Paper	8,212.1	7,651.7	7,532.4
Plastics	1,909.2	2,279.8	2,033.3
Corporate ³	2,184.3	2,246.4	2,439.0
Total assets	12,305.6	12,177.9	12,004.7

1. The comparative figures have been restated following a reallocation of unrealised gains on inter-company sales from "Corporate" to "Paper". As a result of the restatement, the expense decreased by R17.3 million for the six months ended 30 June 2024 (31 December 2024: decreased by R22.9 million).

2. The special items for the year ended 31 December 2024 related to an impairment reversal on plant and equipment of R2.6 million.

3. Includes intangible assets, other non-operating assets and assets held for sale.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (CONTINUED)

for the six months ended 30 June 2025

6. OPERATING PROFIT

	Unaudited six months ended 30 June 2025 R'm	Unaudited six months ended 30 June 2024 R'm	Audited year ended 31 December 2024 R'm
Included in operating profit are:			
Depreciation, amortisation and impairments	310.2	308.2	575.6
Amortisation of intangible assets	4.1	4.2	8.3
Depreciation of property, plant and equipment	267.4	266.6	501.8
Depreciation of investment property	2.1	–	–
Depreciation of right-of-use assets	36.6	37.4	68.1
Reversal of impairment of plant and equipment	–	–	(2.6)
Net foreign currency losses/(gains)	13.8	(6.1)	(3.5)
(Decrease)/increase in expected credit loss provision	(1.6)	(7.6)	30.2
Increase/(decrease) in provision for net write-down of inventories ¹	8.3	(2.2)	(10.0)
Net proceeds from insurance claim	(6.3)	(7.1)	(25.1)

1. The amount includes provisions raised during the period less reversals of prior period provisions. The inventories are disclosed net of provisions in the statement of financial position.

7. FINANCE COSTS

	Unaudited six months ended 30 June 2025 R'm	Unaudited six months ended 30 June 2024 R'm	Audited year ended 31 December 2024 R'm
Bank overdrafts and loans	152.4	166.4	340.7
Borrowing costs capitalised	(36.4)	(19.0)	(47.1)
Lease liabilities	13.4	11.1	24.4
Defined benefit arrangements	1.6	1.9	3.7
Total	131.0	160.4	321.7

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (CONTINUED)

for the six months ended 30 June 2025

8. EARNINGS PER SHARE

	Unaudited six months ended 30 June 2025 cents	Restated ¹ unaudited six months ended 30 June 2024 cents	Audited year ended 31 December 2024 cents
Continuing operations earnings per share ("EPS")			
Basic EPS	94.2	129.8	327.1
Diluted EPS	94.1	129.7	326.4
Basic headline EPS	93.0	128.1	323.6
Diluted headline EPS	92.9	128.1	322.9
Basic underlying EPS	94.2	129.8	325.8
Diluted underlying EPS	94.1	129.7	325.1
Discontinued operation earnings per share ("EPS")			
Basic EPS	–	16.5	15.2
Diluted EPS	–	16.5	15.2
Basic headline EPS	–	16.5	16.6
Diluted headline EPS	–	16.5	16.5
Basic underlying EPS	–	16.5	16.6
Diluted underlying EPS	–	16.5	16.5
Total operations earnings per share ("EPS")			
Basic EPS	94.2	146.3	342.3
Diluted EPS	94.1	146.2	341.6
Basic headline EPS	93.0	144.6	340.2
Diluted headline EPS	92.9	144.6	339.4
Basic underlying EPS	94.2	146.3	342.4
Diluted underlying EPS	94.1	146.2	341.6

	Unaudited six months ended 30 June 2025 R'm	Restated ¹ unaudited six months ended 30 June 2024 R'm	Audited year ended 31 December 2024 R'm
Continuing operations			
Profit for the period	151.9	211.3	569.7
Less: Profit attributable to non-controlling interest	(13.0)	(20.1)	(87.7)
Profit for the period attributable to equity holders of Mpact	138.9	191.2	482.0
Discontinued operation			
Profit for the period	–	24.3	22.4
Profit for the period attributable to equity holders of Mpact	–	24.3	22.4
Profit from total operations attributable to equity holders of Mpact	138.9	215.5	504.4

1. The statement of profit or loss has been restated to present Versapak, the discontinued operation, on a post-tax basis. Refer to note 3.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (CONTINUED)

for the six months ended 30 June 2025

8. EARNINGS PER SHARE (CONTINUED)

	Unaudited six months ended 30 June 2025 R'm	Restated unaudited six months ended 30 June 2024 R'm	Audited year ended 31 December 2024 R'm
Continuing operations			
Profit for the period attributable to equity holders of Mpact	138.9	191.2	482.0
Reversal of impairment of plant and equipment	–	–	(2.6)
Profit on de-recognition of right-of-use assets and lease liabilities	–	(0.6)	(0.6)
Profit on disposal of tangible assets	(2.3)	(2.5)	(3.5)
Related tax	0.6	0.7	1.6
Headline earnings for the financial period	137.2	188.8	476.9
Underlying earnings²			
Profit for the period attributable to equity holders of Mpact	138.9	191.2	482.0
Reversal of impairment of plant and equipment	–	–	(2.6)
Related tax	–	–	0.7
Underlying earnings for the financial period	138.9	191.2	480.1
Discontinued operation			
Profit for the financial period attributable to equity holders of Mpact	–	24.3	22.4
Loss on sale of business	–	–	2.7
Related tax	–	–	(0.7)
Headline earnings and underlying earnings for the financial period	–	24.3	24.4

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

	Weighted number of shares	Unaudited six months ended 30 June 2025 R'm	Unaudited six months ended 30 June 2024 R'm	Audited year ended 31 December 2024 R'm
Weighted average number of ordinary shares in issue³				
Weighted average number of ordinary shares in issue ³	147,491,744	147,322,111	147,364,706	
Effect of dilutive potential ordinary shares ⁴	193,802	113,532	311,702	
Weighted average number of ordinary shares adjusted for the effect of dilution	147,685,546	147,435,643	147,676,408	

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

4. Diluted EPS is calculated by adjusting the weighted average number of ordinary shares in issue, on the assumption of conversion of all potentially dilutive ordinary shares.

9. INVESTMENT PROPERTY

During the current period, land and buildings with a carrying amount of R122.9 million were reclassified from property, plant and equipment to investment property. Following this reclassification, a depreciation expense of R2.1 million was recognised. These land and buildings were previously utilised by group subsidiaries and subsequently leased to external parties. Mpact applies the cost model in measuring its investment property.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (CONTINUED)

for the six months ended 30 June 2025

10. STATED CAPITAL

	Unaudited six months ended 30 June 2025 R'm	Unaudited six months ended 30 June 2024 R'm	Audited year ended 31 December 2024 R'm
Authorised 217,500,000 shares of no par value	-	-	-
Issued and fully paid 149,453,688 shares (30 June 2024: 149,453,688; 31 December 2024: 149,453,688) of no par value.	2,360.9	2,360.9	2,360.9

11. INTEREST AND NON-INTEREST-BEARING BORROWINGS

	Unaudited six months ended 30 June 2025 R'm	Unaudited six months ended 30 June 2024 R'm	Audited year ended 31 December 2024 R'm
Secured interest-bearing borrowings ¹	3,365.0	3,397.0	3,040.0
Instalment loan facility	35.6	12.7	17.6
Non-current borrowings	3,400.6	3,409.7	3,057.6
Secured interest-bearing borrowings ¹	–	50.0	–
Unsecured non-interest-bearing borrowings	3.6	7.4	3.6
Instalment loan facility	6.8	3.0	3.1
Bank overdraft	4.3	10.1	12.0
Current portion of borrowings	14.7	70.5	18.7
Total borrowings	3,415.3	3,480.2	3,076.3

1. Mpact has pledged certain items of property, plant and equipment, inventories, cash and cash equivalents and trade receivables as collateral against certain borrowings. Certain inter-company loans have been subordinated in favour of the debt holders.

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

12. CAPITAL COMMITMENTS

	Unaudited six months ended 30 June 2025 R'm	Unaudited six months ended 30 June 2024 R'm	Audited year ended 31 December 2024 R'm
Contracted capital commitments	272.5	506.8	225.4
Approved capital commitments	742.9	1,162.1	1,273.4
Capital commitments	1,015.4	1,668.9	1,498.8

Commitments of R1,015.4 million (30 June 2024: R1,233.4 million; 31 December 2024: R1,137.3 million) is expected to be spent in the next 12 months. These commitments will be met from existing cash resources and borrowing facilities available to Mpact.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (CONTINUED)

for the six months ended 30 June 2025

13. DISCONTINUED OPERATION

PLASTICS TRAYS & FILMS

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 prior period are presented below:

	Unaudited six months ended 30 June 2025 R'm	Restated ¹ unaudited six months ended 30 June 2024 R'm	Audited year ended 31 December 2024 R'm
Revenue from contracts with customers	-	484.8	855.5
Expenses	-	(452.1)	(792.4)
Gain recognised on the re-measurement to fair value less costs to sell	-	-	(2.7)
Operating profit	-	32.7	60.4
Net finance income	-	0.3	0.1
Tax expense	-	(8.7)	(38.1)
Profit for the period from discontinued operation²	-	24.3	22.4

1. The statement of profit or loss has been restated to present Versapak, the discontinued operation, on a post-tax basis. Refer to note 3.

2. Profit for the period is after eliminating inter-company transactions where they were recognised without further adjustment.

The major classes of assets and liabilities that were reclassified are as follows:

	Unaudited six months ended 30 June 2025 R'm	Restated unaudited six months ended 30 June 2024 R'm	Audited year ended 31 December 2024 R'm
Assets			
Property, plant and equipment	-	140.0	-
Inventories	-	114.5	-
Assets held for sale	-	254.5	-
Liabilities			
Trade and other payables	-	(7.2)	-
Liabilities held for sale	-	(7.2)	-
Net assets held for sale	-	247.3	-
The net cash flows are as follows:			
Operating activities	-	76.5	49.8
Investing activities	-	(11.4)	(10.4)
Net cash inflows	-	65.1	39.4
Effect of disposal on the financial position of Mpact			
Decrease in:			
Plant and equipment	-	-	140.0
Inventories	-	-	146.2
Other payables	-	-	(17.3)
	-	-	268.9
Net cash inflows on disposal	-	-	254.5
Purchase price	-	-	268.9
Receivable at year-end	-	-	(14.4)

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (CONTINUED)

for the six months ended 30 June 2025

14. FAIR VALUE ESTIMATION

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

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

Specific valuation methodologies used to value financial instruments include:

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

	Unaudited six months ended 30 June 2025 R'm	Unaudited six months ended 30 June 2024 R'm	Audited year ended 31 December 2024 R'm
Financial instruments by category			
Financial assets			
Trade receivables ¹ (at amortised cost)	2,761.5	3,010.3	2,501.6
Loan receivables ¹ (at amortised cost)	56.1	55.6	52.7
Derivative financial instruments (Level 2 – at fair value through profit or loss)	2.2	–	5.9
Cash and cash equivalents ¹ (at amortised cost)	702.4	543.9	975.5
Total	3,522.2	3,609.8	3,535.7
Financial liabilities			
Borrowings (Level 3 – at amortised cost)	3,415.3	3,480.2	3,076.3
Lease liabilities (Level 3 – at amortised cost)	271.6	294.0	270.4
Trade payables ¹ (at amortised cost)	2,336.2	2,487.5	2,396.8
Derivative financial instrument (Level 2 – at fair value through profit or loss)	4.5	2.4	2.7
Total	6,027.6	6,264.1	5,746.2

1. The carrying value approximates the fair value.

15. NET ASSET VALUE PER SHARE

	Unaudited six months ended 30 June 2025 cents	Unaudited six months ended 30 June 2024 cents	Audited year ended 31 December 2024 cents
Net asset value per share	3,584.5	3,410.5	3,576.6

Net asset value per share is defined as net assets attributable to equity holders of Mpact divided by the number of ordinary shares in issue as at the end of the period.

16. CONTINGENT LIABILITIES

Contingent liabilities for Mpact comprise aggregate amounts at 30 June 2025 of R27.7 million (30 June 2024: R27.7 million, 31 December 2024: R27.7 million) in respect of loans and guarantees given to banks and other third parties.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (CONTINUED)

for the six months ended 30 June 2025

17. CASH GENERATED FROM OPERATIONS

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

	Unaudited six months ended 30 June 2025 R'm	Unaudited six months ended 30 June 2024 R'm	Audited year ended 31 December 2024 R'm
Profit before tax from total operations	204.2	319.3	707.6
Profit before tax from continuing operations	204.2	286.3	647.1
Profit before taxation from discontinued operation	–	33.0	60.5
Depreciation, amortisation and impairments	310.2	308.2	575.6
Net gain recognised on plant and equipment on sale of business	–	–	(11.2)
Share-based payments	2.5	18.7	23.0
Net finance costs	119.3	147.6	297.1
Share of profit from equity accounted investees	(8.8)	(11.7)	(18.5)
Decrease in retirement benefit obligation	(1.5)	(1.5)	(2.9)
Decrease in provisions	(1.0)	(6.6)	(12.0)
Increase in inventories	(170.7)	(325.0)	(180.4)
(Increase)/decrease in receivables	(237.2)	(155.4)	346.5
(Decrease)/increase in payables	(54.1)	227.9	156.9
Profit on disposal of tangible assets	(2.3)	(2.5)	(3.5)
Fair value change on transactions not qualifying as hedges	12.1	(2.4)	(8.9)
Amortisation of government grant	–	(0.3)	(0.3)
Profit on de-recognition of right-of-use assets and lease liabilities	–	(0.6)	(0.6)
Cash generated from operations	172.7	515.7	1,868.4

18. RELATED PARTIES

Mpact has a related party relationship with its associates and joint ventures. Mpact, in the ordinary course of business, enters into various sales, purchase and services transactions with joint ventures and associates and others in which Mpact has a material interest. These transactions are under terms that are no less favourable than those arranged with third parties.

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

	Unaudited six months ended 30 June 2025 R'm	Unaudited six months ended 30 June 2024 R'm	Audited year ended 31 December 2024 R'm
Sales to related parties	220.2	215.5	459.7
Dividend income from related parties	3.9	3.9	16.3
Purchases from related parties	(2.0)	(1.9)	(0.4)
Interest received from related parties	1.3	0.5	1.2
Receivables due from related parties	104.5	102.9	85.3
Payables due to related parties	(10.8)	(15.7)	(17.0)
Loans to related parties	34.2	19.0	19.6

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (CONTINUED)

for the six months ended 30 June 2025

19. GOING CONCERN

As part of the directors' consideration of the appropriateness of adopting the going concern basis in preparing the condensed consolidated interim financial statements for the period ended 30 June 2025, liquidity and solvency tests were performed based on Mpact's forecast for the next 12 months.

Mpact's net debt as at 30 June 2025 was R2.985 billion (30 June 2024: R3.230 billion, 31 December 2024: R2.371 billion).

Mpact is subject to two financial covenant conditions, namely the interest cover ratio, defined as earnings before interest, tax, depreciation and amortisation ("EBITDA") divided by total net interest; and the net debt to EBITDA ratio, defined as net debt, excluding finance liabilities, divided by EBITDA.

	Threshold	At 30 June 2025
Interest cover ratio	greater than or equal to 3.5 times	4.4 times
Net debt to EBITDA	less than or equal to 3.0 times	1.9 times

Mpact has met these covenants with sufficient headroom and therefore minimal risk exists for any breach. 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 condensed 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.

20. SUBSEQUENT EVENTS

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 classified as a subsidiary. Mpact is in the process of finalising the acquisition date fair value assessment and will include the relevant disclosures in the 2025 annual financial statements.

The Board declared an ordinary dividend of 30 cents per share on 31 July 2025 payable on 1 September 2025 to shareholders registered on 29 August 2025.

The directors are not aware of any other matters or circumstances arising subsequent to 30 June 2025 that require any additional disclosure or adjustment to the condensed consolidated interim financial statements.

CORPORATE INFORMATION

COMPANY PROFILE

Mpact is the largest paper and plastics packaging and recycling business in southern Africa, employing 4,705 people (June 2024: 5,339 people), and generating revenue from total operations of R6.4 billion in the six months ended 30 June 2025.

Sales in South Africa account for approximately 89% of Mpact's total revenue for the current period while the balance was predominantly to customers in the rest of Africa.

The Group operates across 38 sites, comprising 21 manufacturing sites, and 14 recycling operations. Proximity to our customers contributes to faster response times, reduces transport costs and creates economies of scale. Our integrated business model is uniquely focused on closing the loop in plastic and paper packaging through recycling and the beneficiation of recyclables.

Our strong customer relationships, a thorough understanding of the sectors we operate in, and our commitment to innovation allow us to continue creating fit-for-purpose sustainable packaging solutions as well as value-added services that anticipate our customers' needs.

Directors

Independent Non-Executive

PCS Luthuli (Chairman)

M Makanjee

DG Wilson

ABA Conrad

FC Futwa

S Mayet

Executive

BW Strong (Chief Executive Officer)

JJ Snyman (Chief Financial Officer)

Company secretary

DM Dickson

Registered office

4th Floor

No. 3 Melrose Boulevard

Melrose Arch

2196

Transfer secretaries

JSE Investor Services (Pty) Limited

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2 Gwen Lane

Sandton

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Sponsors

The Standard Bank of South Africa Limited

30 Baker Street

Rosebank

2196

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