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MPACT LIMITED GROUP

AUDITED CONSOLIDATED ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024

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FOR THE YEAR ENDED 31 DECEMBER 2024

Contents

DIRECTORS' RESPONSIBILITY STATEMENT AND BASIS OF PREPARATION

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

These consolidated annual financial statements have been prepared using accounting policies compliant with IFRS® Accounting Standards, the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and Financial Reporting Pronouncements as issued by the Financial Reporting Standards Council and are in compliance with the Companies Act, 2008 of South Africa.

The preparation of these consolidated annual financial statements for the year ended 31 December 2024 was supervised by the Chief Financial Officer ("CFO"), JJ Snyman CA(SA).

In preparing the consolidated annual financial statements of Mpact Limited and its subsidiaries ("Mpact"), International Accounting Standard 1, 'Presentation of Financial Statements', requires that the directors:

- select and apply accounting policies;
- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- provide additional disclosure when compliance with the specific requirements in IFRS® are insufficient to enable users to understand the impact of particular transactions, other events and conditions on the entity's financial position and financial performance; and
- make an assessment of Mpact's ability to continue as a going concern.

APPROVAL OF THE CONSOLIDATED ANNUAL FINANCIAL STATEMENTS

The directors confirm that the consolidated annual financial statements are prepared in accordance with IFRS® Accounting Standards, the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and Financial Reporting Pronouncements as issued by the Financial Reporting Standards Council, and the requirements of the Companies Act of South Africa, fairly present the assets, liabilities, financial position and profit of Mpact and the undertakings included in the consolidation taken as a whole.

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

The report of the directors, which appears on pages 12 to 16, consolidated annual financial statements and related notes, which appear on pages 25 to 95 were approved and authorised for issue by the Board of Directors on 06 March 2025 and were signed on its behalf by:

AJ Phillips
Chairman

BW Strong
Chief Executive Officer

CERTIFICATE BY GROUP COMPANY SECRETARY

In terms of section 88(2)(e) of the Companies Act, I certify that Mpact Limited has lodged with the Companies and Intellectual Property Commission all such returns and notices, as are required of a Company in terms of the Act and, that such returns are true, correct and up to date.

D Dickson
Group Company Secretary
06 March 2025

CHIEF EXECUTIVE OFFICER AND CHIEF FINANCIAL OFFICER RESPONSIBILITY STATEMENT

In compliance with paragraphs 3.84(k) of the JSE Limited Listings Requirements, the CEO and CFO, each of whose names are stated below and, after due, careful and proper consideration hereby confirm that:

- The consolidated annual financial statements set out on pages 12 to 95, fairly present in all material respects the financial position, financial performance and cash flows of Mpact in terms of IFRS®;
- To the best of our knowledge and belief, no facts have been omitted or untrue statements made that would make the consolidated annual financial statements of Mpact false or misleading;
- Internal financial controls have been put in place to ensure that material information relating to Mpact, and its consolidated subsidiaries have been provided to effectively prepare the consolidated annual financial statements of Mpact;
- The internal financial controls are adequate and effective and can be relied upon in compiling the consolidated annual financial statements, having fulfilled our role and function as executive directors with primary responsibility for implementation and execution of controls;
- Where we are not satisfied, we have disclosed to the Audit Committee and the auditor any deficiencies in design and operational effectiveness of the internal financial controls and have taken steps to remedy the deficiencies; and
- We are not aware of any fraud involving directors.

BW Strong
Chief Executive Officer
06 March 2025

JJ Snyman
Chief Financial Officer
06 March 2025

Independent auditor's report

To the shareholders of Mpact Limited

Report on the audit of the consolidated financial statements

Our opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the consolidated financial position of Mpact Limited (the Company) and its subsidiaries (together the Group) as at 31 December 2024, and its consolidated financial performance and consolidated cash flows for the year then ended in accordance with IFRS Accounting Standards and the requirements of the Companies Act of South Africa.

What we have audited

Mpact Limited's consolidated financial statements set out on pages 25 to 95 comprise:

- the consolidated statement of financial position as at 31 December 2024;
- the consolidated statement of profit or loss and other comprehensive income for the year then ended;
- the consolidated statement of changes in equity for the year then ended;
- the consolidated statement of cash flows for the year then ended; and
- the notes to the financial statements, including material accounting policy information.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the consolidated financial statements* section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Group in accordance with the Independent Regulatory Board for Auditors' *Code of Professional Conduct for Registered Auditors* (IRBA Code) and other independence requirements applicable to performing audits of financial statements in South Africa. We have fulfilled our other ethical responsibilities in accordance with the IRBA Code and in accordance with other ethical requirements applicable to performing audits in South Africa. The IRBA Code is consistent with the corresponding sections of the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards).*

Our audit approach

Overview

Final materiality

- Overall group materiality: R132.9 million, which represents 1% of consolidated revenue from contracts with customers from continuing operations

Group audit scope

- The Group conducts its operations through nineteen components. We performed full scope audits over nine components due to the risk associated with these components and their financial significance; as well as to obtain sufficient coverage across the Group.
- We performed audits of specific account balances, classes of transactions or disclosure over two of the components due to the risk associated with these components and their financial impact.
- We performed analytical procedures on components not in scope for full scope audits or audits of specific account balances, classes of transactions or disclosure. These components were assessed to be inconsequential to the Group.

Key audit matters

- Goodwill impairment assessment

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the consolidated financial statements. In particular, we considered where the directors made subjective judgements; for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits, we also addressed the risk of management override of internal controls, including among other matters, consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

In terms of the IRBA Rule on Enhanced Auditor Reporting for the Audit of Financial Statements of Public Interest Entities, published in Government Gazette Number 49309 dated 15 September 2023 (EAR Rule), we report final materiality and group audit scope below.

Final materiality

The scope of our audit was influenced by our application of materiality. An audit is designed to obtain reasonable assurance whether the consolidated financial statements are free from material misstatement. Misstatements may arise due to fraud or error. They are considered material if individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the consolidated financial statements.

Based on our professional judgement, we determined certain quantitative thresholds for materiality, including the final materiality for the consolidated financial statements as a whole as set out in the table below. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures and to evaluate the effect of misstatements, both individually and in aggregate on the consolidated financial statements as a whole.

	Consolidated financial statements
Final materiality	R132.9 million
How we determined it	1% of consolidated revenue from contracts with customers from continuing operations
Rationale for the materiality benchmark applied	We chose consolidated revenue from contracts with customers from continuing operations as the benchmark because, in our view, it is the benchmark against which the performance of the Group is most commonly measured by users for evaluating the Group's performance and reflects its core operational activities in an environment of volatile profits. We chose 1% based on our professional judgement, after consideration of the range of quantitative materiality thresholds that we would typically apply when using revenue as a benchmark in calculating materiality.

Group audit scope

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

In establishing the overall approach to the group audit, we determined the type of work that needed to be performed by us, as the group auditor, or component auditors operating under our instruction.

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

Where the work was performed by component auditors, we assessed the competence, knowledge and experience of the component auditors, and we determined the level of direction, supervision and review necessary at those components to be able to conclude whether sufficient appropriate audit evidence has been obtained as a basis for our opinion on the consolidated financial statements as a whole.

Throughout the audit, various discussions were held with the component auditors as well as site visits to certain locations. Furthermore, we inspected component auditors' working papers relating to significant risks and other areas based on our professional judgement.

Key audit matters

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

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

Key audit matter	***How our audit addressed the key audit matter***
Goodwill impairment assessment Refer to notes 10 and 12 of the consolidated financial statements.	We obtained an understanding of the process and procedures applied by management during their impairment assessment of goodwill. Our audit procedures included, among others, testing of the principles and integrity of management's value in use for all Cash Generating Units. We evaluated management's calculation by:

Key audit matter	How our audit addressed the key audit matter
International Accounting Standard (IAS) 36 - Impairment of Assets requires goodwill to be tested annually for impairment, or more frequently if impairment indicators are identified. As at year end, the Group had recognised goodwill amounting to R404.1 million as disclosed in note 10 to the consolidated financial statements. Management tested goodwill for impairment within all material cash generating units (CGUs) and concluded that there were no impairments relating to any of the identified CGUs. The recoverable amount was based on the value in use method for all CGUs. In determining the value in use for all CGUs and the fair value less costs of disposal, management applied judgement in determining the following key assumptions: • Discount rates; • Terminal value growth rates; • Revenue growth rates; and • EBITDA margin. We considered the goodwill impairment assessments to be a matter of most significance to our current year audit due to the following: • The level of judgement applied by management in performing the impairment assessments, including determining the key assumptions; and • The magnitude of the consolidated goodwill balance.	• Challenging and testing the reasonability of the key assumptions used by management in the calculations. We compared these key assumptions to industry benchmarks, historical performance and future market forecasts. Whilst we noted that our independently determined assumptions varied from those used by management, the impact had an immaterial impact on the impairment assessment. • We compared the process followed by management in determining cash flow forecasts to past practice and found the process to be consistent. • We considered the historical accuracy of forecasts by comparing the prior period results to forecasts for those periods. Where variances were noted, we followed up with management and assessed the reasonability of the variances and noted that these do not impact the accuracy of forecasts based on available information at the time they were made. • We made use of our valuation expertise to test the appropriateness and reasonability of the discount rate through independent recalculation, based on inputs obtained which are comparable to other companies in the same industry and of similar size. Whilst we noted that our independently determined discount rates differed to those applied by management, this had an immaterial impact on the impairment assessment.

Key audit matter	*How our audit addressed the key audit matter*
	• We compared the terminal value growth rates used by management to the long-term inflation rate for South Africa and found management's terminal value growth rate to be within an appropriate range relative to the inflation rate. • We tested the mathematical accuracy of management's impairment assessment, and no material differences were noted. • We evaluated the valuation methodology applied by management and found the methodology applied by management to be consistent with industry practice. • We independently performed sensitivity calculations on the impairment assessments in order to determine the degree by which certain key assumptions needed to change in order to trigger an impairment. We discussed these with management and considered the likelihood of such changes occurring. Whilst our independently determined key assumptions were different from those applied by management, the impact of these differences was found to be immaterial to the impairment assessment.

Other information

The directors are responsible for the other information. The other information comprises the information included in the document titled "Mpact Limited Group audited consolidated annual financial statements for the year ended 31 December 2024" and the document titled "Mpact Limited Audited Financial Statements for the year ended 31 December 2024", which includes the Report of the Directors, the Audit and Risk Committee Report and the Certificate by Group Company Secretary as required by the Companies Act of South Africa and the document titled "Mpact 2024 Integrated Report". The other information does not include the consolidated or the separate financial statements and our auditor's reports thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express an audit opinion or any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the directors for the consolidated financial statements

The directors are responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS Accounting Standards and the requirements of the Companies Act of South Africa, and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

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

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor’s report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence, regarding the financial information of the entities or business units within the Group, as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other legal and regulatory requirements

Audit tenure

In terms of the IRBA Rule published in Government Gazette Number 39475 dated 4 December 2015, we report that PricewaterhouseCoopers Inc. has been the auditor of Mpact Limited for 2 years.

PricewaterhouseCoopers Inc.

PricewaterhouseCoopers Inc.
Director: S Bootha
Registered Auditor
Johannesburg, South Africa
7 March 2025

REPORT OF THE DIRECTORS

The directors have pleasure in presenting their report on the consolidated annual financial statements of Mpact for the year ended 31 December 2024.

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.

In the current financial year, Mpact completed the sale of Versapak to Greenpath Recycling Proprietary Limited (a wholly owned subsidiary of Sinica Manufacturing Proprietary Limited). The purchase price amounted to R268.9 million of which R254.5 million was paid by Sinica with the balance outstanding at year end.

Mpact also 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 loan. Africa Tanks manufactures water tanks using blow-moulding technology.

Mpact Limited is incorporated in the Republic of South Africa and is listed on the Johannesburg Stock Exchange (JSE) and has a secondary listing on A2X.

FINANCIAL RESULTS

Mpact's profit for the year from total operations ended 31 December 2024 was R592.1 million (2023: R777.5 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 5 of the consolidated annual financial statements.

REGISTER OF SHAREHOLDERS

The register of shareholders of Mpact is open for inspection, during normal office hours, at the office of Mpact's transfer secretaries.

PROPERTY, PLANT AND EQUIPMENT

At 31 December 2024 the net investment in property, plant and equipment amounted to R5,303.7 million (2023: R4,742.6 million), details of which are set out in note 11 to the consolidated annual financial statements. Capital commitments at year-end amounted to R1,498.8 million (2023: R2,001.2 million), refer to note 30 to the consolidated annual financial statements. In the current year, Mpact performed an assessment on the remaining useful life of items of property, plant and equipment which resulted in changes in the expected usage of certain items, refer to note 3. 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 2024, the issued share capital of Mpact was 149,453,688 ordinary shares of no-par value. (2023: 149,453,688 ordinary shares of no-par value).

Mpact owns 2,046,850 (2023: 2,023,132) treasury shares which are held by the Mpact Incentive Scheme Trust to satisfy share awards under the Group's share incentive scheme. Refer to note 20 of the consolidated annual financial statements.

REPORT OF THE DIRECTORS (continued)

DIVIDENDS

Notice is hereby given that the Board has declared a final gross cash dividend of 75 cents for the year ended 31 December 2024 (60 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 of Directors are satisfied that the liquidity and solvency of the company, as well as capital remaining after payment of the dividend is sufficient to support the current operations and to facilitate future development of the business in the year ahead.

Salient dates with regard to the ordinary dividend	
Publication of dividend declaration	Monday, 10 March 2025
Last date of trade to receive a dividend	Tuesday, 8 April 2025
Shares commence trade ex-dividend	Wednesday, 9 April 2025
Record date	Friday, 11 April 2025
Payment date	Monday, 14 April 2025

All times provided are South African local times. The above dates and times are subject to change. Any material change will be announced on the SENS.

Share certificates may not be dematerialised or re-materialised between Wednesday, 9 April 2025 and Friday, 11 April 2025, both days inclusive.

BORROWINGS

In terms of the Memorandum of Incorporation, the directors are permitted to borrow or raise for the purposes of Mpact such amount as they deem fit for the operation of the business. As at 31 December 2024, the total borrowings (including lease liabilities) less cash resources were R2,371.2 million (2023: R2,665.5 million). At 31 December 2024, Mpact had approved facilities of R4,660 million (2023: R4,670 million).

The margin on Term Loan A, RCF B and RCF C are variable and are linked to certain sustainability targets. Any margin adjustments are prospectively adjusted. For the prior financial year, Mpact met its performance target in respect of the carbon emission and water efficiency targets.

Mpact has not recognised an embedded derivative, as these targets are specifically defined by Mpact and are not linked to a basic lending arrangement. Refer to note 21 of the consolidated annual financial statements.

REPORT OF THE DIRECTORS (continued)

DIRECTORS

The following directors have held office during the year ended 31 December 2024 and to the date of this report:

AJ Phillips *(Chairman)*	Independent Non-executive
ABA Conrad	Independent Non-executive
FC Futwa	Independent Non-executive (appointed on 17 May 2024)
PCS Luthuli	Independent Non-executive
M Makanjee	Independent Non-executive
TDA Ross	Independent Non-executive (retired on 6 June 2024)
DG Wilson	Independent Non-executive
BW Strong *(Chief Executive Officer)*	Executive
JJ Snyman *(Chief Financial Officer)*	Executive (appointed on 1 June 2024)
BDV Clark *(Chief Financial Officer)*	Executive (retired on 31 May 2024)

GROUP COMPANY SECRETARY

D Dickson

Registered Office
4th Floor
3 Melrose Boulevard
Melrose Arch, 2196

SPONSOR

The Standard Bank of South Africa Limited

AUDITOR

PricewaterhouseCoopers Inc. (PwC) is the appointed auditor to Mpact, with S Bootha the designated auditor.

FINANCIAL ASSISTANCE BY MPACT LIMITED

Notwithstanding the title of section 45 of the Companies Act, 71 of 2008, being “Loans or Other Financial Assistance to Directors”, the body of the section also applies to financial assistance provided by Mpact to any related or inter-related company or corporation and a member of a related or inter-related corporation.

At the 2024 AGM, shareholders opposed special resolution 2, which sought to renew Mpact’s general authority to provide financial assistance to its subsidiaries and other related and inter-related entities in terms of sections 44 and 45 of the Companies Act.

While shareholders again voted against this resolution, as a result of the amendments to the Companies Act which became effective in December 2024, the giving of financial assistance to, or for the benefit of, a company's South African subsidiary is now excluded from the requirements of section 45. As a consequence of these changes to the Companies Act, Mpact Limited may therefore provide financial assistance to its South African subsidiaries in the Group without the need for a special resolution of Mpact's shareholders.

GOING CONCERN

The directors consider that Mpact has adequate resources to continue operating for the foreseeable future and that it is, therefore, appropriate to adopt the going concern basis in preparing the consolidated financial statements. The directors have satisfied themselves that Mpact is in a sound financial position, and that it has access to sufficient borrowing facilities to meet its foreseeable cash requirements. Refer to note 4 of the consolidated annual financial statements.

REPORT OF THE DIRECTORS (continued)

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 Listing Requirements, has the responsibility, among other things, for monitoring the integrity of Mpact's financial statements. It also has the responsibility for reviewing the effectiveness of Mpact's system of internal controls and risk management systems. An internal audit function has been established which is responsible for advising the Board of Directors on the effectiveness of Mpact's risk management processes.

The committee oversees the relationship with the external auditor; is responsible for their appointment and remuneration; reviews the effectiveness of the external audit process; and ensures that the objectivity and independence of the external auditor is maintained.

In collaboration with the internal and external auditor, a combined assurance map was developed.

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 17 to 24.

EVENTS OCCURRING AFTER THE REPORTING DATE

On 3 February 2025, Mpact advised shareholders that its ordinary shares would be traded on A2X with effect from 11th February 2025.

On 6 March 2025, the Board declared an ordinary dividend of 75 cents per share payable on 14 April 2025 to shareholders registered on 11 April 2025.

There were no significant or material subsequent events which would require adjustment to or disclosure in the consolidated annual financial statements.

INTEREST OF DIRECTORS AND PRESCRIBED OFFICERS IN SHARE CAPITAL

The aggregate beneficial holdings as at 31 December 2024 and 31 December 2023 of the directors and prescribed officers of Mpact in the issued ordinary shares of Mpact are detailed below. There have been no material changes in these shareholdings between 31 December 2024 and 10 March 2025, the date of approval.

	2024 Direct No. of shares	**2024 Indirect No. of shares**	2023 Direct No. of shares	2023 Indirect No. of shares
Executive director				
BW Strong	**1,254,632**	**–**	1,254,632	–
JJ Snyman (appointed on 1 June 2024)	**–**	**7,350**	–	–
BDV Clark (retired on 31 May 2024)	**–**	**541,006**	–	541,006
Non-executive director				
AJ Phillips	**8,914**	**1,516**	8,914	1,516
Prescribed officers				
JW Hunt	**594,979**	**–**	500,174	–
HM Thompson	**719,017**	**–**	690,517	–
CM Botha	**159,904**	**–**	167,094	–
Total	**2,737,446**	**549,872**	2,621,331	542,522

There are no associate interests for the above directors and prescribed officers.

REPORT OF THE DIRECTORS (continued)

INTEREST OF MAJOR SHAREHOLDERS IN SHARE CAPITAL

Major shareholders

(5% and more of the shares in issue)

	No. of shares	% of total issued share capital
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**
31 December 2023		
Caxton and CTP Publishers and Printers Limited	50,299,943	33.66
Gayatri Paper Mills Gauteng (Pty) Limited	15,142,659	10.13
Old Mutual Group	10,680,618	7.15
Mirabaud & Cie SA	7,724,208	5.17

31 December 2024 Shareholder Type	Number of shareholdings	% of total shareholdings	Number of shares	% of issued capital
Non-Public Shareholders	**9**	**0.19**	**5,334,168**	**3.57**
Share Schemes	**1**	**0.02**	**2,046,850**	**1.37**
Directors & Prescribed Officers: Direct 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**

31 December 2023 Shareholder Type				
Non-Public Shareholders	10	0.20	5,608,769	3.75
Share Schemes	1	0.02	2,023,132	1.35
Directors & Prescribed Officers: Direct Shareholdings[1]	6	0.12	3,043,115	2.04
Directors: Indirect Shareholdings	3	0.06	542,522	0.36
Public Shareholders	4,872	99.80	143,844,919	96.25
Total	4,882	100.00	149,453,688	100.00

[1]The total includes 421,784 shares owned by N Naidoo, who retired on 31 December 2023.

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 year ended 31 December 2024, as well as its key activities and the framework within which it operates in compliance with section 94(7) of the Companies Act.

INTRODUCTION

The role of the committee is to ensure the integrity of Mpact's financial reporting and audit processes and that a sound risk management and internal control system is maintained. In pursuing these objectives, the committee oversees relations with the External Auditors and reviews the effectiveness of the Internal Audit function.

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 of Sibusiso Luthuli, 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. In May 2024, Fikile Futwa was appointed as a member of the committee. Fikile has significant financial and commercial experience, making her well placed to contribute positively to the functioning of the committee. In June 2024, Tim Ross retired from the committee. Tim had been the chairman of the committee for several years and had provided invaluable leadership and guidance to the committee. Sibusiso Luthuli was appointed as the interim Chairman of the committee in July 2024. The CEO, the CFO, the Chief Information Officer (CIO), the Group Risk and Sustainability Manager, a representative of KPMG, the independent Internal Auditor, and a representative of PwC, the independent External Auditor, and other senior managers attend meetings by invitation.

The committee members are appointed annually by the shareholders at the Annual General Meeting.

MEETINGS

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

Name	Member since	Meetings Attended
Sibusiso Luthuli	December 2018	4/4
Fikile Futwa	May 2024	3/4*
Donald Wilson	January 2022	4/4
Tim Ross	April 2011	2/4**

**Joined the Committee on 17 May 2024.*

***Retired on 6 June 2024.*

AUDIT AND RISK COMMITTEE REPORT (continued)

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 2024. 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 3.84(g) and 3.86 of the JSE Listings Requirements in assessing PwC's independence, registration as a Registered Auditor and the ability to perform a quality audit of Mpact. The committee held at least one meeting with PwC without management present, and the committee chairman also engaged regularly with the PwC engagement partner.

After considering the factors below and the auditor's tenure, the committee is satisfied that PwC is independent of Mpact.

Independence of external auditors

This assessment was made after considering the following:

- confirmation from the external auditors that they, or their immediate family, do not hold any direct or indirect financial interest or have any material business relationship with Mpact. The external auditors also confirmed that they have internal monitoring procedures to ensure their independence;
- 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);
- information provided by the auditors in terms of the JSE Listings Requirements, Paragraph 22.15(h); and
- the audit firm and the designated auditor are accredited with the JSE.

The committee confirms that the external auditor has functioned in accordance with its terms of reference for the 2024 financial year.

External auditors' fees

The committee:

- approved, in consultation with management, the audit fee and engagement terms for the external auditors for the 2024 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.

AUDIT AND RISK COMMITTEE REPORT (continued)

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 procedure in accordance with the JSE Listings Requirements;
- considered and approved accounting policy changes resulting from the application of new standards commencing 1 January 2024;
- 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 test 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;
- considered the accounting and taxation implications for all restructurings, acquisitions and disposals; and
- considered the accounting policy and taxation treatment for the discontinued operation.

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 2024.

During the 2024 financial year, the consolidated annual financial statements for the year ended 31 December 2023 was selected as part of the JSE's proactive review process. The JSE required clarification on the application of certain IFRS standards. The committee responded to the questions and provided details of all factors, judgements and IFRS references that were considered in arriving at the IFRS conclusion reflected in the consolidated annual financial statements. The review process resulted in a restatement of the 2023 tax expense for both the continued and discontinued operation as presented in the consolidated statement of profit or loss and other comprehensive income. Refer to note 2 of the notes to the consolidated annual financial statement for details of the restatement.

AUDIT AND RISK COMMITTEE REPORT (continued)

KEY AUDIT MATTERS

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

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

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

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

INTERNAL AUDIT

The committee:

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

AUDIT AND RISK COMMITTEE REPORT (continued)

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 3.84(k) 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 Audit and Risk 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 will be taken. The Audit and Risk 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 2024.

The Group’s management team remain committed to ongoing improvements ensuring that the control environment remains sound for reliable consolidated annual financial statements and safeguarding of the Group’s assets.

AUDIT AND RISK COMMITTEE REPORT (continued)

RISK MANAGEMENT

The Board, through the Audit and Risk 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 Audit and Risk 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 articulates and gives effect to ongoing oversight of risk management.

Risk management is addressed in the areas of business risks, physical and operational risks, human resource risks, technology risks, business continuity and disaster recovery risks, credit and market risks and compliance risks.

Mpact has implemented several policies and procedures to manage its governance, operations and information systems with regard to the:

- reliability, security and integrity of financial and operational information;
- effectiveness and efficiency of operations;
- safeguarding of people and assets;
- reducing of our environmental footprint, and
- compliance with laws, regulations and contracts.

A Risk Management Committee identifies and evaluates strategic and operational risks against 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.

AUDIT AND RISK COMMITTEE REPORT (continued)

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 Board regarding ICT governance-related matters. The Audit and Risk Committee reviews and approves the ICT 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 independent ICT advisor has been appointed to provide the Board of Directors with independent 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 independent opinion on emerging technology trends and their rate of adoption and implementation by various business sectors. ICT maturity assessments are concluded by the independent advisor periodically to determine improvement and opportunities for further development in ICT. This is reported on by the independent advisor to the Audit and Risk 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.

COMBINED ASSURANCE

A combined assurance model and plan was developed by management in collaboration with internal audit and external audit. The mapping was compiled to help understand the level planned assurance coverage from all assurance providers across the various lines of assurance as reflected in the combined assurance model.

The committee approved the Integrated Risk Assurance Framework and noted that further improvements will be incorporated in the combined assurance model.

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.

AUDIT AND RISK COMMITTEE REPORT (continued)

GOVERNANCE

The Board of Directors has assigned oversight of the risk management function to the committee, which has an oversight role with respect to financial reporting risks arising from internal financial controls, fraud and IT risks.

During May 2024, the committee oversaw the recruitment process of the Chief Financial Officer and made recommendations for approval to the Nominations Committee and the Board.

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.

ASSURANCE

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

Sibusiso Luthuli
Audit and Risk Committee Interim Chairman
06 March 2025

MPACT LIMITED GROUP

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2024

	Notes	**2024 R'm**	Restated[1] 2023 R'm
CONTINUING OPERATIONS			
Revenue from contracts with customers	5a	**13,290.7**	12,823.1
Material, energy and fixed overhead recovery	5b	**(7,198.3)**	(6,806.5)
Variable selling expenses	5b	**(983.7)**	(894.7)
Other net operating expenses[2]	5b	**(3,607.3)**	(3,377.7)
Depreciation, amortisation and impairment	5b	**(575.6)**	(627.2)
Operating profit	6	**925.8**	1,117.0
Share of profit from equity accounted investees	14	**18.5**	18.3
Profit from operations and equity accounted investees		**944.3**	1,135.3
Net finance costs	7	**(297.2)**	(284.0)
Investment income		**24.5**	15.6
Finance costs		**(321.7)**	(299.6)
Profit before tax from continuing operations	5b	**647.1**	851.3
Tax expense	8	**(77.4)**	(202.0)
Profit for the year from continuing operations		**569.7**	649.3
DISCONTINUED OPERATION			
Profit for the year from discontinued operation	32	**22.4**	128.2
Profit for the year		**592.1**	777.5
Other comprehensive (loss)/income			
Items that will not be reclassified subsequently to profit or loss			
Actuarial gains on post-retirement benefit scheme		**1.8**	1.2
Tax effect		**(0.5)**	(0.3)
Items that may be reclassified subsequently to profit or loss			
Exchange differences on translation of foreign operations		**(2.5)**	0.5
Other comprehensive (loss)/income		**(1.2)**	1.4
Total comprehensive income for the year		**590.9**	778.9
Profit attributable to:			
Equity holders of Mpact		**504.4**	715.1
Non-controlling interests		**87.7**	62.4
Profit for the year		**592.1**	777.5
Total comprehensive income attributable to:			
Equity holders of Mpact		**503.5**	716.5
Non-controlling interests		**87.4**	62.4
Total comprehensive income for the year		**590.9**	778.9
Earnings per share (EPS) for profit attributable to equity holders of Mpact			
Basic EPS (cps) from continuing operations	9	**327.1**	399.9
Diluted EPS (cps) from continuing operations	9	**326.4**	397.7
Basic EPS (cps) from discontinued operation	9	**15.2**	87.4
Diluted EPS (cps) from discontinued operation	9	**15.2**	86.9
Basic EPS (cps) from total operations	9	**342.3**	487.3
Diluted EPS (cps) from total operations	9	**341.6**	484.6

[1]The Statement of profit or loss has been restated to present Versapak, the discontinued operation, on a post-tax basis. Refer to note 2.

[2]Other net operating expenses includes an expected credit loss on financial assets of R30.2 million (2023: R14.0 million).

MPACT LIMITED GROUP

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2024

	Notes	2024 R'm	2023 R'm
ASSETS			
Goodwill and other intangible assets	10	**426.0**	434.2
Property, plant and equipment	11	**5,303.7**	4,742.6
Right of use assets	13	**221.5**	180.7
Investments in equity accounted investees	14	**182.1**	112.9
Other financial assets	15	**45.9**	31.2
Deferred tax assets	24	**94.5**	72.6
Non-current assets		**6,273.7**	5,574.2
Inventories	16	**2,156.2**	1,998.6
Trade and other receivables	17	**2,581.1**	2,924.5
Other financial assets	15	**6.8**	5.2
Derivative financial instruments	19	**5.9**	0.6
Current tax receivables		**5.5**	2.7
Cash and cash equivalents	18	**975.5**	881.5
Current assets		**5,731.0**	5,813.1
Assets held for sale	32	**–**	247.7
Total assets		**12,004.7**	11,635.0
EQUITY AND LIABILITIES			
Capital and reserves			
Stated capital	20	**2,360.9**	2,360.9
Retained earnings		**2,969.7**	2,637.0
Reserves		**14.7**	28.8
Total attributable to equity holders of Mpact		**5,345.3**	5,026.7
Non-controlling interests in subsidiaries		**520.6**	440.8
Total equity		**5,865.9**	5,467.5
Interest and non-interest-bearing borrowings	21	**3,057.6**	3,297.3
Lease liabilities	22	**207.8**	173.2
Retirement benefits obligation	23	**31.7**	32.7
Deferred tax liabilities	24	**320.4**	274.6
Provisions	28	**2.4**	2.2
Non-current liabilities		**3,619.9**	3,780.0
Interest and non-interest-bearing borrowings	26	**18.7**	25.3
Lease liabilities	22	**62.6**	51.2
Trade and other payables	27	**2,396.8**	2,245.2
Provisions	28	**6.5**	18.6
Deferred income	25	**–**	0.3
Derivative financial instruments	19	**2.7**	3.4
Current tax liabilities		**31.6**	35.1
Current liabilities		**2,518.9**	2,379.1
Liabilities held for sale	32	**–**	8.4
Total liabilities		**6,138.8**	6,167.5
Total equity and liabilities		**12,004.7**	11,635.0

MPACT LIMITED GROUP

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2024

	Notes	2024 R'm	2023 R'm
Cash flows from operating activities			
Operating cash flows before movements in working capital		**1,545.4**	1,880.1
Net decrease in working capital		**323.0**	108.4
Cash generated from operations	33a	**1,868.4**	1,988.5
Dividends received from equity accounted investees	14	**16.3**	18.9
Taxation paid	33b	**(92.1)**	(213.1)
Net cash inflows from operating activities		**1,792.6**	1,794.3
Cash flows from investing activities			
Additions to property, plant and equipment and intangible assets	11	**(1,003.1)**	(1,536.4)
Acquisition of equity accounted investee	14	**(67.0)**	–
Proceeds from the disposal of property, plant and equipment		**4.6**	16.8
Cash received from disposal of business	32	**254.5**	–
Loan advances to equity accounted investees		**(18.3)**	–
Loan repayment from equity accounted investees		**–**	2.2
Loan repayments from external parties		**2.2**	11.5
Loan advances to external parties		**–**	(10.7)
Interest received		**24.7**	15.2
Net cash outflows from investing activities		**(802.4)**	(1,501.4)
Cash flows from financing activities			
Proceeds from borrowings raised	33d	**1,169.8**	2,127.0
Repayment of borrowings	33d	**(1,419.4)**	(1,514.0)
Repayments of lease liabilities	33d	**(62.2)**	(67.1)
Finance costs paid[1]		**(366.9)**	(309.3)
Acquisition by non-controlling interest		**0.4**	–
Dividends paid to non-controlling interests		**(4.0)**	(8.0)
Dividends paid to equity holders of Mpact Limited		**(155.2)**	(176.0)
Purchase of treasury shares		**(58.8)**	(59.3)
Net cash outflows from financing activities		**(896.3)**	(6.7)
Net increase in cash and cash equivalents		**93.9**	286.2
Effect of movements in exchange rates on cash held		**0.1**	0.5
Net cash and cash equivalents at the beginning of the year		**881.5**	594.8
Net cash and cash equivalents at the end of the year[2]	33e	**975.5**	881.5

[1]Finance costs paid includes R24.4 million (2023: R17.9 million) from lease liabilities.

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

MPACT LIMITED GROUP

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2024

	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 01 January 2023	2,323.6	66.8	34.1	(19.1)	(85.7)	2,162.1	4,481.8	386.4	4,868.2
Total comprehensive income for the year	–	–	0.9	0.5	–	715.1	716.5	62.4	778.9
Profit for the year	–	–	–	–	–	715.1	715.1	62.4	777.5
Other comprehensive income for the year	–	–	0.9	0.5	–	–	1.4	–	1.4
Dividends paid[3]	–	–	–	–	–	(176.0)	(176.0)	–	(176.0)
Purchase of treasury shares	–	–	–	–	(59.3)	–	(59.3)	–	(59.3)
Share plan charges for the year	–	39.8	–	–	–	–	39.8	–	39.8
Dividends paid to non-controlling interests	–	–	–	–	–	–	–	(8.0)	(8.0)
Issue/exercise of shares under employee share scheme	37.3	(35.1)	–	–	85.9	(64.2)	23.9	–	23.9
Balance at 31 December 2023	**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 declared 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**

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

[2]Treasury shares represent the cost of shares in Mpact Limited purchased in the market and held by the Mpact Incentive Scheme Trust to satisfy share awards under Mpact's share incentive scheme. As at 31 December 2024, there are 2,046,850 (2023: 2,023,132) treasury shares on hand.

[3]Dividend paid per share was 105c per share (2023: 120c per share).

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

1. ACCOUNTING POLICIES

Basis of preparation

These consolidated annual financial statements have been prepared using accounting policies compliant with IFRS® Accounting Standards as issued by the International Accounting Standards Board (IASB), the SAICA Financial Reporting Guide as issued by the Accounting Practices Committee and the Financial Reporting Pronouncements as issued by the Financial Reporting Standards Council, the JSE Limited’s Listings Requirements, and the requirements of the Companies Act of South Africa. The consolidated annual financial statements have been prepared on the historical cost basis, except for derivative financial instruments, financial instruments at fair value through profit or loss and fair value through other comprehensive income. The consolidated annual financial statements have been prepared on a going concern basis. The consolidated annual financial statements are presented in South African Rand, which is Mpact's functional currency. All financial information presented in South African Rand has been rounded off to the nearest million.

The basis of preparation is consistent with the prior year, except for new and revised standards adopted. Mpact is incorporated and domiciled in South Africa and the registered office is located at 4th Floor, 3 Melrose Boulevard, Melrose Arch, 2196.

New accounting policies, early adoption and future requirements

New amendments to published Standards and Interpretations that are effective and have been adopted during 2024

- **IAS 1: Classification of Liabilities as Current or Non-Current (effective 1 January 2024)**

The amendments aim to promote consistency in determining whether, in the statement of financial position, debt and other liabilities with an uncertain settlement date should be classified as current (due or potentially due to be settled within one year) or non-current.

- **IAS 1: Non-current Liabilities with Covenants (effective 1 January 2024)**

The amendment specifies that only covenants an entity must comply with on or before the reporting period should affect classification of the corresponding liability as current or non-current.

These amendments did not have a material impact on the financial statements on adoption.

- **IFRS 16 - Leases on sale and leaseback (effective 1 January 2024)**

The amendment explains how an entity accounts for a sale and leaseback after the date of the transaction. Sale and leaseback transactions where some or all the lease payments are variable lease payments that do not depend on an index or rate are most likely to be impacted.

This amendment is not applicable, as Mpact did not have any leases on sale and leaseback for the year ended 31 December 2024.

1. ACCOUNTING POLICIES (CONTINUED)

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.

- **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.

The adoption of the amendment is not anticipated to have a significant impact on the financial statements.

- **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 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 currently working to identify the impact of IFRS 18 on the financial statements.

2. RESTATEMENT OF TAX EXPENSE AND PROFIT FROM DISCONTINUED OPERATION

As part of the 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 (Pty) Ltd, 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:

31 December 2023	**Previously reported R'm**	**Restatement R'm**	**Restated SOPL R'm**
Continuing operations			
Profit before tax from continuing operations	851.3	–	851.3
Tax expense	(249.5)	47.5	(202.0)
Current tax	(280.7)	17.9	(262.8)
Deferred tax	31.2	29.6	60.8
Profit for the year from continuing operations	601.8	47.5	649.3
Discontinued operation			
Profit for the year from discontinued operation	175.7	–	175.7
Tax expense	–	(47.5)	(47.5)
Current tax	–	(17.9)	(17.9)
Deferred tax	–	(29.6)	(29.6)
Profit for the year from discontinued operation	175.7	(47.5)	128.2
Profit for the year from total operations	777.5	–	777.5
Profit attributable to:			
Equity holders of Mpact	715.1	–	715.1
Non-controlling interest	62.4	–	62.4
	777.5	–	777.5
Earnings per share (EPS) for profit attributable to equity holders of Mpact:			
Basic EPS (cps) from continuing operations	367.6	32.3	399.9
Diluted EPS (cps) from continuing operations	365.5	32.2	397.7
Basic EPS (cps) from discontinued operation	119.7	(32.3)	87.4
Diluted EPS (cps) from discontinued operation	119.1	(32.2)	86.9
Basic headline EPS from continuing operations	443.0	18.7	461.7
Diluted headline EPS from continuing operations	440.5	18.6	459.1
Basic headline EPS from discontinued operation	69.3	(18.7)	50.6
Diluted headline EPS from discontinued operation	68.9	(18.6)	50.3
Basic underlying EPS from continuing operations	444.6	18.8	463.4
Diluted underlying EPS from continuing operations	442.1	18.7	460.8
Basic underlying EPS from discontinued operation	69.3	(18.7)	50.6
Diluted underlying EPS from discontinued operation	68.9	(18.6)	50.3

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

3. 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:

	2024 R'm	2025 R'm	2026 R'm	2027 R'm	Beyond 2028 R'm
(Decrease)/increase in depreciation expense	**(30.3)**	**0.1**	**7.6**	**11.3**	**11.3**

4. 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 twelve months which resulted in no adverse ratios.

Net debt as at 31 December 2024 was R2,371.2 million (2023: R2,665.5 million). None of Mpact's debt facilities are approaching maturity which cannot be refinanced.

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 2024**
Interest Cover ratio	greater than or equal to 3.5 times	4.6 times
Net debt to EBITDA	less than or equal to 3.0 times	1.3 times

Mpact had met these covenants with sufficient headroom and therefore minimal risk exists for any breach of triggers.
The directors consider that Mpact has adequate resources to continue operating for the foreseeable future and that it is, therefore, appropriate to adopt the going concern basis in preparing the consolidated financial statements. The directors have satisfied themselves that Mpact is in a sound financial position, and that it has access to sufficient borrowing facilities to meet its foreseeable cash requirements.

5. OPERATING SEGMENTS

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

Paper manufacturing
Corrugated operations
Recycling
FMCG
Bins & crates

The paper manufacturing, recycling and corrugated divisions have been aggregated into one reportable segment, namely Paper, on the basis of similar economic characteristics. FMCG and bins & crates divisions have been aggregated into one reportable segment, namely Plastics, on the basis of similar economic characteristics.

In the current year, Mpact amalgamated the Preforms & Closures business into FMCG in order to create synergy, reduce costs and to enhance competitiveness.

In the current and prior year, the Plastics Trays & Films division was classified as held for sale and its results are reported as a discontinued operation and therefore not included as an operating segment.

Reportable operating segments

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

Product revenues

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

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

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

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

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

Net segment assets include the allocation of retirement benefits surpluses and deficits on an appropriate basis and excludes an allocation for derivative assets and liabilities, non-operating receivables and payables and assets held for sale and associated liabilities. The measure of segment results, however, includes the effects of certain movements in these unallocated balances.

Special items to determine underlying operating profit

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

5. OPERATING SEGMENTS (CONTINUED)

Sale of goods

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

Service revenue

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

5(a) Reportable segment revenue

	2024			2023		
	Segment revenue R'm	**Inter-segment revenue R'm**	**External revenue from contracts with customers R'm**	Segment revenue R'm	Inter-segment revenue R'm	External revenue from contracts with customers R'm
Paper	**11,007.8**	**(35.5)**	**10,972.3**	10,714.9	(48.1)	10,666.8
Plastics	**2,334.8**	**(16.4)**	**2,318.4**	2,161.3	(5.0)	2,156.3
	13,342.6	**(51.9)**	**13,290.7**	12,876.2	(53.1)	12,823.1

	2024 R'm	2023 R'm
External revenue by product type		
Paper solutions	**10,972.3**	10,666.8
Recycled containerboard, cartonboard and other materials	**4,724.3**	4,520.0
Corrugated packaging, bags and sacks	**6,248.0**	6,146.8
Plastic packaging solutions	**2,318.4**	2,156.3
Total	**13,290.7**	12,823.1
Timing of revenue recognition		
Goods transferred at a point in time	**13,196.4**	12,760.8
Services transferred over time	**94.3**	62.3
Total	**13,290.7**	12,823.1

5. OPERATING SEGMENTS (CONTINUED)

	2024 R'm	2023 R'm
External revenue by location of customer		
South Africa (country of domicile)	**11,735.7**	11,754.9
Paper	**9,573.5**	9,676.0
Plastics	**2,162.2**	2,078.9
Rest of Africa	**1,353.6**	973.9
Paper	**1,250.5**	927.1
Plastics	**103.1**	46.8
Rest of World	**201.4**	94.3
Paper	**148.3**	63.7
Plastics	**53.1**	30.6
Total	**13,290.7**	12,823.1

	2024 R'm	2023 R'm
5(b) Reportable segment operating profit		
Paper	**909.1**	1,168.1
Plastics	**89.3**	188.7
Corporate	**(14.5)**	(80.1)
Inter-segment elimination	**(60.7)**	(66.3)
Segments total	**923.2**	1,210.4
Special items[1]	**2.6**	(93.4)
Operating profit	**925.8**	1,117.0
Share of profit from equity accounted investees	**18.5**	18.3
Net finance costs	**(297.2)**	(284.0)
Profit before tax from continuing operations	**647.1**	851.3

[1]Special items relates to an impairment reversal on plant and equipment of R2.6 million (2023: an impairment on property, plant and equipment of R1.2 million and impairment of goodwill of R92.2 million). Refer to note 12 for the impairment of plant and equipment and goodwill.

	2024 R'm	2023 R'm
Significant external components of operating profit		
Material, energy and fixed overhead recovery		
Paper	**(5,948.7)**	(5,754.7)
Plastics	**(1,272.5)**	(1,036.3)
Corporate	**22.9**	(15.5)
Total	**(7,198.3)**	(6,806.5)
Variable selling expenses		
Paper	**(826.3)**	(744.2)
Plastics	**(157.4)**	(150.5)
Total	**(983.7)**	(894.7)
Other net operating expenses		
Paper	**(2,696.5)**	(2,476.4)
Plastics	**(605.4)**	(596.2)
Corporate	**(305.4)**	(305.1)
Total	**(3,607.3)**	(3,377.7)

5. OPERATING SEGMENTS (CONTINUED)

	2024 R'm	2023 R'm
Material expenses included in other net operating expenses		
Staff costs[2]		
Paper	**(1,653.5)**	(1,598.8)
Plastics	**(372.7)**	(333.9)
Corporate	**(127.0)**	(136.1)
Total	**(2,153.2)**	(2,068.8)
Maintenance expenses[2]		
Paper	**(536.7)**	(510.7)
Plastics	**(122.9)**	(105.3)
Corporate	**(0.8)**	(1.5)
Total	**(660.4)**	(617.5)
Depreciation and amortisation excluding impairments		
Paper[3]	**(330.8)**	(306.6)
Plastics[3]	**(171.8)**	(151.4)
Corporate	**(75.6)**	(75.8)
Total	**(578.2)**	(533.8)
Impairment reversal/(charge) on plant and equipment, and goodwill		
Paper	**1.1**	(1.2)
Plastics	**1.5**	(92.2)
Total	**2.6**	(93.4)
Total depreciation, amortisation and impairment	**(575.6)**	(627.2)

[2]Mpact included staff costs and maintenance expenses in its segment disclosure for the current and prior year following the IFRS® Interpretations Committee's decision issued in July 2024 titled "Disclosure of Revenues and Expenses for Reportable Segments (IFRS 8 Operating Segments)".
[3]Excludes inter-group depreciation relating to right of use asset of R105.1 million (2023: R96.8 million) for the paper segment and Rnil million (2023: Rnil million) for the plastics segment.

	2024 R'm	2023 R'm
Non-current non-financial assets[4]		
South Africa (country of domicile)	**5,688.0**	5,144.5
Rest of Africa	**41.7**	32.3
Total	**5,729.7**	5,176.8
Non-current non-financial assets[4]		
Paper	**3,534.6**	3,055.9
Plastics	**1,188.4**	1,097.1
Corporate	**1,006.7**	1,023.8
Total	**5,729.7**	5,176.8

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

5. OPERATING SEGMENTS (CONTINUED)

	2024 R'm	2023 R'm
5(c) Reportable segment assets		
Segment assets[5]		
Paper[6]	**7,532.4**	7,062.4
Plastics[7]	**2,033.3**	2,145.3
Corporate	**1,015.8**	1,015.5
Inter-segment elimination	**(12.3)**	(53.7)
Segment total[8]	**10,569.2**	10,169.5
Unallocated:		
Investments in equity accounted investees	**182.1**	112.9
Deferred tax assets	**94.5**	72.6
Other non-operating assets[9]	**130.7**	114.4
Assets held for sale	**–**	247.7
Trading assets	**10,976.5**	10,717.1
Financial assets	**52.7**	36.4
Cash and cash equivalents	**975.5**	881.5
Total assets	**12,004.7**	11,635.0

[5]Segment assets are operating assets and as at 31 December 2024 consists of property, plant and equipment of R5,303.7 million (2023: R4,742.6 million), goodwill and other intangible assets of R426.0 million (2023: R434.2 million), right of use assets of R221.5 million (2023: R180.7 million), inventories of R2,156.2 million (2023: R1,998.6 million) and operating receivables of R2,461.8 million (2023: R2,813.4 million). Excludes inter-group right of use assets of R235.1 million (2023: R262.7 million) for the paper segment and Rnil million (2023: R11.0 million) for the plastics segment.

[6]Consists of property, plant and equipment of R3,192.9 million (2023: R2,713.5 million), goodwill and other intangible assets of R341.7 million (2023: R342.3 million), right of use assets of R180.8 million (2023: R172.2 million), inventories of R1,835.3 million (2023: R1,677.5 million) and operating receivables of R1,981.7 million (2023: R2,156.9 million).

[7]Consists of property, plant and equipment of R1,121.8 million (2023: R1,030.5 million), goodwill and other intangible assets of R66.6 million (2023: R66.6 million), right of use assets of R38.5 million (2023: R3.4 million), inventories of R327.8 million (2023: R350.8 million) and operating receivables of R478.6 million (2023: R694.0 million).

[8]Goodwill has been disclosed in the appropriate reportable segment in which it was acquired.

[9]Other non-operating assets consist of derivative assets of R5.9 million (2023: R0.6 million), other non-operating receivables of R119.3 million (2023: R111.1 million) and current tax receivable of R5.5 million (2023: R2.7 million).

	2024 R'm	2023 R'm
Additions to non-current non-financial assets[10]		
South Africa (country of domicile)	**974.8**	1,495.1
Rest of Africa	**16.7**	19.9
Segments total	**991.5**	1,515.0
Additions to non-current non-financial assets[10]		
Paper	**706.4**	1,061.6
Plastics	**229.5**	339.5
Corporate	**55.6**	113.9
Segments total	**991.5**	1,515.0

[10]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.

	2024 R'm	2023 R'm
6. OPERATING PROFIT		
Operating profit for the year has been arrived at after charging/(crediting):		
Depreciation, amortisation and impairments	**575.6**	627.2
Amortisation of intangibles (refer to note 10)	**8.3**	11.2
Depreciation of property, plant and equipment (refer to note 11)	**501.8**	458.2
Depreciation of right of use assets (refer to note 13)	**68.1**	64.4
Impairment of goodwill (refer to note 10 and 12)	**–**	92.2
Impairment(reversal)/charge on plant and equipment (refer to note 12)	**(2.6)**	1.2
Expenses relating to short term leases	**33.8**	32.1
Expenses relating to leases of low value assets	**5.9**	5.7
Increase in expected credit loss allowance (refer to note 17b)	**30.2**	14.0
Write-down of inventories during the year	**47.7**	32.8
Reversal of write-down of inventories during the year	**(57.7)**	(17.1)
Net foreign currency gains	**(3.5)**	(19.6)
Proceeds from insurance claims	**(25.1)**	(69.1)
Derecognition of financial asset[2]	**–**	65.6
Profit on disposal of tangible assets	**(3.5)**	(3.7)
(Profit)/loss on de-recognition of right of use assets and lease liabilities	**(0.6)**	0.3
Audit fees	**14.4**	13.8
Non audit fees	**0.1**	–
Maintenance expenses	**660.4**	617.5
Staff costs (excluding directors' emoluments)	**2,117.8**	2,022.8
Executive directors and prescribed officers short term benefits[1]	**33.8**	44.2
Executive directors and prescribed officers post-employment benefits[1]	**1.5**	1.8

[1]Excludes the value of deferred bonus shares awarded. The details of the executive directors' and prescribed officers' emoluments are disclosed in note 40.

[2]In the prior year, a Plastic raw material supplier went into business rescue. Deposits paid for the raw material were subsequently derecognised.

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.

7. NET FINANCE COSTS

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

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

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

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

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

	2024 **R'm**	2023 R'm
Investment income		
Bank deposits and loan receivables	**18.4**	13.7
Other	**6.1**	1.9
Total investment income	**24.5**	15.6
Finance costs		
Bank overdrafts and loans	**(340.7)**	(292.4)
Interest capitalised on qualifying assets[1]	**47.1**	14.4
Lease liabilities	**(24.4)**	(17.9)
Defined benefit arrangements (refer to note 23)	**(3.7)**	(3.7)
Total interest expense	**(321.7)**	(299.6)
Net finance costs	**(297.2)**	(284.0)

[1]The borrowing costs was calculated using a capitalisation rate of 9.38% (2023: 9.64%).

8. TAX EXPENSE

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

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit and is accounted for using the liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and is adjusted to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the year when the liability is settled or the asset is realised. Deferred tax is charged or credited in the statement of profit or loss and other comprehensive income, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also taken directly to equity.

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

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

A group subsidiary recognised R72.6 million (2023: R64.4 million) of 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.

	2024 R'm	Restated[1] 2023 R'm
Analysis of tax charge for the year		
South African- current year	**(113.4)**	(251.2)
- prior year[2]	**53.6**	0.1
South African current tax	**(59.8)**	(251.1)
Foreign subsidiary current tax - current year	**(1.5)**	(9.8)
- prior year	**–**	(1.9)
Total current tax	**(61.3)**	(262.8)
Deferred tax in respect of the current year	**9.6**	60.3
Deferred tax in respect of prior year[3]	**(25.7)**	0.5
Total tax expense	**(77.4)**	(202.0)

[1]The Statement of profit or loss has been restated to present Versapak, the discontinued operation, on a post-tax basis. Refer to note 2.

[2]Relates to tax allowances on s11D, s12H, s12L and s12BA claimed on submission of tax return (2023: Utilisation of additional tax losses on submission of the tax return).

[3]Relates to the change in the tax value of plant and equipment as a consequence of the above tax allowances claimed.

	2024 R'm	Restated 2023 R'm
8. TAX EXPENSE (CONTINUED)		
Factors affecting tax expense for the year		
Mpact's tax charge for the year can be reconciled to the tax on Mpact's profit before tax at the South African corporation tax rate as follows:		
Profit before tax from continuing operations	**647.1**	851.3
Less share of profit of equity accounted investees[1]	**(18.5)**	(18.3)
Profit before tax, adjusted for equity accounted profit and discontinued operation	**628.6**	833.0
Tax on profit before tax calculated at the South African corporation tax rate at 27% (2023: 27%)	**(169.7)**	(224.9)
Tax effects of:		
Expenses not deductible for tax purposes		
Subscription and donations	**(0.2)**	(0.3)
Legal and professional costs	**(5.8)**	(4.5)
Non-deductible expenses attributable to exempt income	**(2.2)**	(3.3)
Impairment of goodwill	**–**	(24.9)
Other non-deductible expenses	**(1.2)**	(0.1)
Non-deductible foreign exchange differences	**–**	(0.1)
Non-taxable income		
Non-taxable foreign exchange differences	**0.5**	–
Section 12I additional investment allowances and other manufacturing incentives	**1.0**	2.4
Non-taxable profit on sale of plant and equipment	**0.2**	0.4
Temporary difference adjustments		
Unrecognised tax losses	**–**	(7.9)
Recognisation of deferred tax assets on previously unrecognised tax losses	**72.6**	64.4
Effect of difference between South African corporate tax rate and other country tax rate	**(0.5)**	(1.9)
Prior year adjustment on current tax	**53.6**	0.1
Prior year adjustment on deferred tax	**(25.7)**	0.5
Prior year adjustment foreign tax	**–**	(1.9)
Tax charge for the year	**(77.4)**	(202.0)

[1]Profit or loss from equity accounted investees is presented net of tax on the consolidated statement of profit or loss and other comprehensive income. Mpact's share of its investees' tax is therefore not presented within the Mpact's total tax charge. The investees' tax charge included within "Share of investees" profit for the year ended is R10.3 million (2023: R5.7 million).

9. EARNINGS PER SHARE

Basic EPS is calculated by dividing net profit attributable to ordinary equity holders of Mpact by the weighted average number of ordinary shares in issue during the year. For this purpose, net profit is defined as the profit after tax and special items attributable to equity holders of Mpact. Refer to note 5 for the definition of special items.

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

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

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

	2024 Cents per share	Restated[1] 2023 Cents per share
Continuing operations earnings per share (EPS)		
Basic EPS	**327.1**	399.9
Diluted EPS	**326.4**	397.7
Basic headline EPS	**323.6**	461.7
Diluted headline EPS	**322.9**	459.1
Basic underlying EPS[2]	**325.8**	463.4
Diluted underlying EPS[2]	**325.1**	460.8
Discontinued operations earnings per share (EPS)		
Basic EPS	**15.2**	87.4
Diluted EPS	**15.2**	86.9
Basic headline EPS	**16.6**	50.6
Diluted headline EPS	**16.5**	50.3
Basic underlying EPS[2]	**16.6**	50.6
Diluted underlying EPS[2]	**16.5**	50.3
Total operations earnings per share (EPS)		
Basic EPS	**342.3**	487.3
Diluted EPS	**341.6**	484.6
Basic headline EPS	**340.2**	512.3
Diluted headline EPS	**339.4**	509.4
Basic underlying EPS[2]	**342.4**	514.0
Diluted underlying EPS[2]	**341.6**	511.1

[1]The Statement of profit or loss has been restated to present Versapak, the discontinued operation, on a post-tax basis. Refer to note 2.

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

9. EARNINGS PER SHARE (CONTINUED)

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

	2024 R'm	Restated 2023 R'm
Continuing operations		
Profit for the year	**569.7**	649.3
Less profit attributable to non-controlling interest	**(87.7)**	(62.4)
Profit for the year attributable to equity holders of Mpact	**482.0**	586.9
Discontinued operation		
Profit for the year	**22.4**	128.2
Profit for the year attributable to equity holders of Mpact	**22.4**	128.2
Profit from total operations attributable to equity holders of Mpact	**504.4**	715.1

	Gross R'm	**Net R'm**
Continuing operations		
Headline earnings		
2024		
Profit for the financial year attributable to equity holders of Mpact		**482.0**
Impairment reversal on plant and equipment and goodwill (refer to note 12)	**(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**
2023		
Profit for the financial year attributable to equity holders of Mpact		586.9
Impairment on plant and equipment and goodwill (refer to note 12)	93.4	93.1
Loss on de-recognition of right of use assets and lease liabilities	0.3	0.3
Profit on disposal of tangible assets	(3.7)	(2.7)
Headline earnings for the financial year		677.6
Underlying earnings		
2024		
Profit for the financial year attributable to equity holders of Mpact		**482.0**
Impairment reversal on plant and equipment (refer to note 12)	**(2.6)**	**(1.9)**
Underlying earnings for the financial year		**480.1**
2023		
Profit for the financial year attributable to equity holders of Mpact		586.9
Impairment on plant and equipment and goodwill (refer to note 12)	**93.4**	93.1
Underlying earnings for the financial year		680.0

9. EARNINGS PER SHARES (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**
Discontinued operation		
2023		
Profit for the financial year attributable to equity holders of Mpact		128.2
Gain recognised on the remeasurement to fair value less costs to sell	**(74.0)**	(54.0)
Headline earnings and underlying earnings for the financial year		74.2

	2024 R'm	2023 R'm
	Weighted number of shares	Weighted number of shares
Weighted average number of ordinary shares in issue[2]	**147,364,706**	146,753,371
Effect of dilutive potential ordinary shares[3]	**311,702**	829,162
Weighted average number of ordinary shares adjusted for the effect of dilution	**147,676,408**	147,582,533

[2]The weighted average number of shares takes into account the weighted average effect of changes in treasury shares and the re-purchase of 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.

10. GOODWILL AND OTHER INTANGIBLE ASSETS

Goodwill

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

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

Other intangible assets

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

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

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

10. GOODWILL AND OTHER INTANGIBLE ASSETS (CONTINUED)

	Goodwill R'm	Other intangibles[1] R'm	Total R'm
2024			
Cost			
1 January	**1,045.0**	**228.2**	**1,273.2**
Disposal	**–**	**(14.5)**	**(14.5)**
Additions	**–**	**0.1**	**0.1**
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**
2023			
Cost			
1 January	1,045.0	229.2	1,274.2
Disposals	–	(1.0)	(1.0)
31 December	1,045.0	228.2	1,273.2
Accumulated amortisation and impairment			
1 January	548.7	187.9	736.6
Amortisation	–	11.2	11.2
Disposals	–	(1.0)	(1.0)
Impairment (refer to note 12)	92.2	–	92.2
31 December	640.9	198.1	839.0
Net book value at 31 December 2023	404.1	30.1	434.2

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

Goodwill allocated to the cash generating units are as follows:	**2024 R'm**	2023 R'm
Recycling	**23.9**	23.9
Felixton Mill	**251.8**	251.8
Corrugated operations	**62.1**	62.1
FMCG	**65.0**	65.0
Bins & crates	**1.3**	1.3
	404.1	404.1

11. PROPERTY, PLANT AND EQUIPMENT

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

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

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

Estimated useful lives are as follows:

Buildings: to a maximum of fifty years,

Plant and equipment: three years to twenty five years, and

Other assets: three years to twenty years.

Estimated residual values and useful economic lives

The carrying values of certain tangible fixed assets are sensitive to assumptions relating to projected residual values and useful economic lives, which determine the depreciable amount and the rate at which capital expenditure is depreciated respectively. Mpact reassesses these assumptions at least annually or more often if there are indications that they require revision. Estimated residual values are based on available secondary market prices as at the reporting date, unless estimated to be zero. Useful economic lives are based on the expected usage, wear and tear, technical or commercial obsolescence and legal limits on the usage of capital assets. Refer to note 3 for details of the impact of the useful life reassessment in the current year.

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

11. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

2024	Land and buildings R'm	Plant and equipment R'm	Assets in the course of construction R'm	Other[1] R'm	Total R'm
Cost					
1 January	**1,611.8**	**7,846.5**	**843.6**	**501.2**	**10,803.1**
Additions[2]	**35.9**	**20.8**	**929.9**	**4.8**	**991.4**
Interest capitalised on qualifying assets	**–**	**–**	**47.1**	**–**	**47.1**
Disposals	**(57.7)**	**(283.1)**	**–**	**(27.7)**	**(368.5)**
Transfer from held for sale[3]	**–**	**42.9**	**–**	**–**	**42.9**
Transfer to/from assets in the course of construction	**94.3**	**486.6**	**(663.7)**	**82.8**	**–**
31 December	**1,684.3**	**8,113.7**	**1,156.9**	**561.1**	**11,516.0**
Accumulated depreciation and impairment					
1 January	**372.4**	**5,334.9**	**–**	**353.2**	**6,060.5**
Depreciation	**68.5**	**388.2**	**–**	**45.1**	**501.8**
Disposals	**(57.7)**	**(282.9)**	**–**	**(26.8)**	**(367.4)**
Transfer from held for sale[3]	**–**	**20.0**	**–**	**–**	**20.0**
Reversal of impairment	**–**	**(2.6)**	**–**	**–**	**(2.6)**
31 December	**383.2**	**5,457.6**	**–**	**371.5**	**6,212.3**
Net book value at 31 December 2024	**1,301.1**	**2,656.1**	**1,156.9**	**189.6**	**5,303.7**

[1]Comprises of computer equipment with a cost of R230.1 million (2023: R193.9 million) and accumulated depreciation of R154.1 million (2023: R136.6 million), Vehicles with a cost of R260.0 million (2023: R241.5 million) and accumulated depreciation of R169.4 million (2023: R165.6 million), Furniture and other equipment with a cost of R71.0 million (2023: R65.8 million) and accumulated depreciation of R48.0 million (2023: R51.0 million).
[2]Excludes additions from assets held for sale amounting to R11.6 million.
[3]Relates to solar and generators which were no longer part of the Versapak sale transactions.

11. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

2023	Land and buildings R'm	Plant and equipment R'm	Assets in the course of construction R'm	Other R'm	Total R'm
Cost					
1 January	1,369.2	7,049.3	514.9	444.6	9,378.0
Additions[3]	6.5	29.8	1,471.9	6.8	1,515.0
Interest capitalised on qualifying assets	–	–	14.4	–	14.4
Disposals	(7.8)	(81.0)	–	(15.8)	(104.6)
Foreign currency translation	–	0.1	–	0.2	0.3
Transfer to/from assets in the course of construction	243.9	848.3	(1,157.6)	65.4	–
31 December	1,611.8	7,846.5	843.6	501.2	10,803.1
Accumulated depreciation and impairment					
1 January	311.4	5,059.1	1.3	320.5	5,692.3
Depreciation	63.8	348.0	–	46.4	458.2
Disposals	(2.8)	(74.8)	–	(13.9)	(91.5)
Foreign currency translation	–	0.1	–	0.2	0.3
Impairments	–	1.2	–	–	1.2
Transfer to/from assets in the course of construction	–	1.3	(1.3)	–	–
31 December	372.4	5,334.9	–	353.2	6,060.5
Net book value at 31 December 2023	1,239.4	2,511.6	843.6	148.0	4,742.6

[3]Excludes additions from assets held for sale amounting to R21.4 million.

Split of land and buildings between freehold and leasehold	2024 R'm	2023 R'm
Freehold	**1,278.2**	1,220.2
Leasehold improvements - long term	**22.8**	18.9
Leasehold improvements - short term	**0.1**	0.3
Total land and buildings	**1,301.1**	1,239.4

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

12. IMPAIRMENT OF GOODWILL AND PLANT AND EQUIPMENT

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

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 2025 to 2027 budgeted results and a reasonable growth rate, 4.5% (2023: 4.9%), 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 4.5% (2023: 4.9%) was used.

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

CGU's	**Pre-tax discount rate**		**Post-tax discount rate**		**Five-year average annualised revenue growth**	
	2024	2023	**2024**	2023	**2024**	2023
	%	%	**%**	%	**%**	%
Felixton Mill	**16.5**	17.8	**12.6**	13.8	**7.6**	8.9
Corrugated operations	**17.1**	18.7	**12.6**	13.8	**8.1**	8.8
FMCG	**16.5**	20.7	**12.6**	13.8	**9.4**	9.0

12. IMPAIRMENT OF GOODWILL AND PLANT AND EQUIPMENT (CONTINUED)

	2024 R'm	2023 R'm
Impairment of goodwill		
Preforms & closures[1]	**–**	92.2
	–	92.2
Impairment (reversal)/charge on plant and equipment		
Recycling[2]	**(1.1)**	1.2
Preforms & closures[2]	**(1.5)**	–
	(2.6)	1.2
Total (reversal)/charge of impairment	**(2.6)**	93.4

[1]*The impairment is due to the expiry of a customer contract which may affect future profitability.*
[2]*Related to a specific plant and equipment.*

Sensitivity analysis on CGU's 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. A change of more than 5% on the key assumptions is required for the CGUs to breakeven.

13. RIGHT OF USE ASSETS

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

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

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

13. RIGHT OF USE ASSETS (CONTINUED)

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

2024	Land and buildings R'm	Vehicles R'm	Total R'm
Net book value			
1 January	**178.4**	**2.3**	**180.7**
Additions	**102.3**	**7.7**	**110.0**
Disposals	**(1.1)**	**–**	**(1.1)**
Depreciation	**(64.3)**	**(3.8)**	**(68.1)**
31 December	**215.3**	**6.2**	**221.5**
2023			
Net book value			
1 January	159.5	6.4	165.9
Additions	79.8	–	79.8
Disposals	–	(0.3)	(0.3)
Depreciation	(60.6)	(3.8)	(64.4)
Re-measurement	(0.3)	–	(0.3)
31 December	178.4	2.3	180.7

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

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

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

14. INVESTMENTS IN EQUITY ACCOUNTED INVESTEES

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

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

Significant judgements

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

Relevant activities

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

Decision-making over the relevant activities

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

Variable returns

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

Other relationships

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

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

	2024 **R'm**	2023 R'm
Associates		
1 January - carrying amount	**61.9**	62.5
Share of profit	**28.4**	18.3
Addition[1]	**67.0**	–
Dividends received	**(16.3)**	(18.9)
31 December - carrying amount	**141.0**	61.9
Joint arrangement[2]		
1 January - carrying amount	**51.0**	51.0
Share of loss	**(9.9)**	–
31 December - carrying amount	**41.1**	51.0
Total investment in equity account investees[3]	**182.1**	112.9

[1]In the current financial period, 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.

[2]R51.0 million investment has been pledged to the IDC.

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

14. INVESTMENT IN EQUITY ACCOUNTED INVESTEES (CONTINUED)

	2024 R'm	2023 R'm
Mpact's total investments comprises:		
Net asset value	**130.6**	109.9
Goodwill	**51.5**	3.0
Total equity	**182.1**	112.9

Summarised financial information

	2024 R'm	**2024 R'm**	2023 R'm	2023 R'm
	Associates	**Joint arrangement**	Associates	Joint arrangement
Total non-current assets[4]	**134.4**	**208.1**	75.8	221.6
Total current assets[5]	**274.2**	**37.7**	226.8	47.5
Total non-current liabilities[6]	**(25.0)**	**(216.9)**	(31.1)	(182.1)
Total current liabilities[7]	**(152.8)**	**(15.8)**	(147.4)	(70.7)
Total net assets	**230.8**	**13.1**	124.1	16.3
Share of net assets	**141.0**	**41.1**	61.9	51.0
Revenue[8]	**919.0**	**115.6**	639.0	140.0
Profit/(loss) for the financial year	**69.0**	**(3.3)**	37.0	–
Share of profit/(loss) for the financial year	**28.4**	**(9.9)**	18.3	–
Share of total comprehensive income/(loss)	**28.4**	**(9.9)**	18.3	–

[4]The associate's non-current assets are from Farmpack (Proprietary) Limited amounted to R34.4 million (2023: R27.1 million), Seyfert Corrugated Western Cape (Proprietary) Limited amounted to R16.2 million (2023: R17.0 million), Ikhewezi Industries (Proprietary) Limited amounted to R32.0 million (2023: R31.7 million) and Africa Tanks (Proprietary) Limited amounted to R51.8 million (2023: Rnil million).

[5]The associate's current assets are from Farmpack (Proprietary) Limited amounted to R67.6 million (2023: R69.5 million), Seyfert Corrugated Western Cape (Proprietary) Limited amounted to R108.1 million (2023: R116.1 million), Ikhewezi Industries (Proprietary) Limited amounted to R53.3 million (2023: R41.2 million) and Africa Tanks (Proprietary) Limited amounted to R45.2 million (2023: Rnil million).

[6]The associate's non-current liabilities are from Farmpack (Proprietary) Limited amounted to R10.0 million (2023: R5.0 million), Seyfert Corrugated Western Cape (Proprietary) Limited amounted to R1.7 million (2023: R2.9 million), Ikhewezi Industries (Proprietary) Limited amounted to R13.0 million (2023: R23.2 million) and Africa Tanks (Proprietary) Limited amounted to R0.3 million (2023: Rnil million). The prior year financial statements did not include this analysis.

[7]The associate's current liabilities are from Farmpack (Proprietary) Limited amounted to R23.7 million (2023: R31.2 million), Seyfert Corrugated Western Cape (Proprietary) Limited amounted to R58.8 million (2023: R69.8 million), Ikhewezi Industries (Proprietary) Limited amounted to R57.9 million (2023: R46.4 million) and Africa Tanks (Proprietary) Limited amounted to R12.4 million (2023: Rnil million).

[8]The associate's revenue are from Farmpack (Proprietary) Limited amounted to R248.1 million (2023: R194.6 million), Seyfert Corrugated Western Cape (Proprietary) Limited amounted to R333.8 million (2023: R305.0 million), Ikhewezi Industries (Proprietary) Limited amounted to R171.6 million (2023: R139.4 million) and Africa Tanks (Proprietary) Limited amounted to R165.5 million (2023: Rnil million).

15. OTHER FINANCIAL ASSETS

Loans and receivables

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

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

Equity investment

On initial recognition, investments, other than investments in subsidiaries, jointly controlled companies and associates, are classified as "measured at fair value through profit or loss". Mpact has one equity investment and had elected to measure it at fair value through OCI. Mpact intends to hold the investment for a long term period for strategic purposes.

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

	2024 R'm	2023 R'm
Loans receivable[1]	**33.1**	33.8
Loan to jointly controlled company[2]	**13.7**	2.6
Loan to associate[3]	**5.9**	–
Equity investment - at FVOCI	**–**	–
Cost of investment	**20.5**	20.5
Fair value adjustment	**(20.5)**	(20.5)
Total other financial assets	**52.7**	36.4
Less current portion of loan receivable	**(6.8)**	(5.2)
Total non-current other financial assets	**45.9**	31.2

[1]Loans receivable are held at amortised cost. The repayment terms ranges between 36 to 120 months.
[2]The loan is held at amortised cost and the loan balance had been pledged to the IDC.
[3] The loan is held at amortised cost. The loan will not be repaid within the next 12 months.

The loans are within payment terms and not past due. Mpact considered its historical credit loss experience and adjusted for forward looking factors specific to the borrowers whom are mainly in the agricultural sector. Forward looking factors such as crop yield are assessed in the agricultural sector to determine the impact on ECLs. There are no expected credit losses on the financial assets. The balances are considered to have a low credit risk. Mpact considers loans receivable and loans to jointly controlled and associated companies to have low credit risk as the borrowers have the future capacity to meet their contractual cash flow obligations and therefore did not raise any expected credit losses in the current and prior financial year.

16. INVENTORIES

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

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

Provision for stock obsolescence is assessed regularly to identify aged, damaged and slow-moving inventories. There are no material accounting estimates and critical judgements used in this assessment.

	2024 **R'm**	2023 R'm
Raw materials and consumables	**1,267.0**	1,202.2
Work in progress	**39.4**	36.4
Finished goods	**849.8**	760.0
Total inventories	**2,156.2**	1,998.6

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

17. TRADE AND OTHER RECEIVABLES

Trade receivables are initially recognised when they are originated. On initial recognition, trade receivables are classified as measured at amortised cost using the effective interest rate method, less any expected credit losses as appropriate. Management assesses the recoverability of trade receivables on an ongoing basis. Any gain or loss on derecognition is recognised in profit or loss.

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

	2024 R'm	2023 R'm
Trade receivables (a)		
– external	**2,401.1**	2,682.7
– related parties (refer to note 36)	**85.3**	124.0
Total trade receivables	**2,486.4**	2,806.7
Allowance for expected credit losses (b)	**(104.1)**	(94.9)
Net trade receivables	**2,382.3**	2,711.8
Other receivables	**119.3**	111.1
Prepayments and accrued income	**79.5**	101.6
Total trade and other receivables	**2,581.1**	2,924.5

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

Other Receivables are considered to have low credit risk as the other debtors have the future capacity to meet their contractual cash flow obligations. Mpact had considered the above based on past experience and current and future conditions and therefore did not raise any expected credit losses in the current and prior financial year. Other receivables consist mainly of rebates from suppliers and deposits.
Certain trade and other receivables are pledged as security for the bank loans (refer note 21).

a) Trade receivables: Credit risk

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

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

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

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

17. TRADE AND OTHER RECEIVABLES (CONTINUED)

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

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

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

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

The following table provides information about the exposure to credit risk and ECL's for trade receivables as at 31 December 2024.

		2024			2023	
GROUP	**Weighted average loss allowance rate %**	**Gross carrying value R'm**	**Loss allowance R'm**	Weighted average loss allowance rate %	Gross carrying value R'm	Loss allowance R'm
Current (not past due)	**0.4**	**1,746.3**	**(7.1)**	0.4	2,169.2	(8.5)
Less than one month past due	**1.4**	**344.0**	**(4.7)**	1.2	344.8	(4.2)
One to two months past due	**2.3**	**175.8**	**(4.1)**	4.6	98.8	(4.5)
Two to three months past due	**20.0**	**75.9**	**(15.2)**	12.8	36.6	(4.7)
More than three months past due	**50.6**	**144.4**	**(73.0)**	46.4	157.3	(73.0)
		2,486.4	**(104.1)**		2,806.7	(94.9)

Loss allowances amounting to R59.5 million (2023: R47.7 million) relates to specific customer balances and R44.6 million (2023: R47.2 million) relating to a general lifetime expected loss. The increase in the loss allowance is mainly due to a greater risk of default from specific customers that are more than 2 months past due.

17. TRADE AND OTHER RECEIVABLES (CONTINUED)

	2024			2023		
PAPER	**Weighted average loss allowance rate %**	**Gross carrying value R'm**	**Loss allowance R'm**	Weighted average loss allowance rate %	Gross carrying value R'm	Loss allowance R'm
Current (not past due)	**0.5**	**1,520.6**	**(7.1)**	0.5	1,646.0	(7.9)
Less than one month past due	**2.2**	**214.0**	**(4.7)**	1.6	260.2	(4.2)
One to two months past due	**4.4**	**93.5**	**(4.1)**	5.5	82.1	(4.5)
Two to three months past due	**7.6**	**52.3**	**(4.0)**	19.7	20.3	(4.0)
More than three months past due	**50.5**	**124.9**	**(63.1)**	41.7	139.6	(58.2)
		2,005.3	**(83.0)**		2,148.2	(78.8)

Loss allowance amounting to R40.3 million (2023: R35.5 million) relating to specific customers balances and R42.7 million (2023: R43.3 million) relating to a general lifetime expected loss.

	2024			2023		
PLASTICS	**Weighted average loss allowance rate %**	**Gross carrying value R'm**	**Loss allowance R'm**	Weighted average loss allowance rate %	Gross carrying value R'm	Loss allowance R'm
Current (not past due)	**–**	**225.7**	**–**	0.1	523.3	(0.6)
Less than one month past due	**–**	**130.0**	**–**	–	84.5	–
One to two months past due	**–**	**82.3**	**–**	–	16.7	–
Two to three months past due	**47.5**	**23.6**	**(11.2)**	3.7	16.3	(0.6)
More than three months past due	**50.8**	**19.5**	**(9.9)**	84.2	17.7	(14.9)
		481.1	**(21.1)**		658.5	(16.1)

Loss allowance amounting to R19.2 million (2023: R12.2 million) relating to specific customers balances and R1.9 million (2023: R3.9 million) relating to a general lifetime expected loss. The increase in the loss allowance is mainly due to a greater risk of default from specific customers that are more than 2 months past due.

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

	2024 R'm	2023 R'm
b) Movement in the expected credit allowance loss allowance account		
At 1 January	**94.9**	84.4
Amount written off during the year	**(21.0)**	(3.6)
Increase in allowance recognised in the statement of profit or loss	**30.2**	14.0
Foreign currency translation	**–**	0.1
At 31 December	**104.1**	94.9

17. TRADE AND OTHER RECEIVABLES (CONTINUED)

	2024 R'm	2023 R'm
c) Trade receivables analysis		
Concentration spread of trade receivables		
Monitored by Executive Committee		
Trade receivables over R20 million	**923.3**	1,115.3
Trade receivables between R10 million to R20 million	**237.5**	259.2
Trade receivables less than R10 million	**272.9**	260.9
Monitored by management at an operations level	**1,052.7**	1,171.3
Total trade receivables	**2,486.4**	2,806.7
Trade receivables by reportable segment		
Paper	**2,005.3**	2,148.2
Plastics	**481.1**	658.5
Total trade receivables	**2,486.4**	2,806.7
Geographical spread of trade receivables		
South Africa	**2,174.0**	2,517.7
Paper	**1,712.1**	1,883.0
Plastics	**461.9**	634.7
Rest of Africa	**280.8**	267.0
Paper	**269.6**	262.9
Plastics	**11.2**	4.1
Rest of World	**31.6**	22.0
Paper	**23.6**	2.3
Plastics	**8.0**	19.7
Total trade receivables	**2,486.4**	2,806.7

At 31 December 2024, the carrying amount of Mpact's most significant customer was R169.0 million (2023: R199.2 million).

18. CASH AND CASH EQUIVALENTS

	2024 R'm	2023 R'm
Cash at bank and on hand	**975.5**	881.5

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

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

19. DERIVATIVE FINANCIAL INSTRUMENTS

Foreign currency transactions are recorded in their functional currencies at the exchange rates ruling on the dates of the transactions. At each reporting date, monetary assets and liabilities that are denominated in foreign currencies are translated at the rates prevailing on the reporting date. Gains and losses arising on translation are included in the statement of other comprehensive income for the year and are classified as either operating or financing depending on the nature of the monetary items giving rise to them.

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

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

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

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

Valuation of financial instruments

The fair value of financial instruments, excluding derivative instruments, not traded in active, liquid and organised financial markets are determined using a variety of valuation methods and assumptions that are based on market conditions and risks existing at the reporting date, including independent appraisals and discounted cash flow methods.

	2024			2023		
	Asset R'm	**Liability R'm**	**Notional amount R'm**	Asset R'm	Liability R'm	Notional amount R'm
Current derivative						
Held for trading[1]						
Foreign exchange contracts	**5.9**	**(2.7)**	**117.8**	0.6	(3.4)	258.5
	5.9	**(2.7)**		0.6	(3.4)	

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

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

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

	2024 R'm	2023 R'm
Held for trading derivatives		
Net fair value profit/(loss) on held for trading derivatives	**4.4**	(0.7)

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

20. STATED CAPITAL

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

Dividend distributions to Mpact's ordinary equity holders are recognised as a liability in the period in which the dividends are declared and approved. Final dividends are accrued when approved by the Board.

	2024 R'm	2023 R'm
Authorised		
217,500,000 shares of no-par value	–	–
Issued and fully paid		
Issue of shares of no-par value at beginning of the year	**2,360.9**	2,323.6
Shares issued[1]	**–**	37.3
	2,360.9	2,360.9

Reconciliation of the number of shares in issue:	**Number of shares**	Number of shares
Shares in issue at the beginning of the year	**149,453,688**	148,175,363
Shares issued[1]	**–**	1,278,325
Shares in issue at the end of the year	**149,453,688**	149,453,688

[1]On 3 May 2023, Mpact Limited issued 1,278,325 shares to participants under the Mpact Share Incentive Scheme at R29.20 per share, as part of the 2020 share award vesting.

The directors were not given the authority to buy back Mpact's own shares at the Annual General Meeting held on 6 June 2024.

Included in other reserves are amounts paid by Mpact Limited to Mpact Limited Incentive Schemes Trust for the acquisition of Mpact shares to be utilised in terms of the Share Plans. Refer to note 29. As at 31 December 2024, The Trust held 2,046,850 (2023: 2,023,132) shares. During the year the Trust bought 2,167,253 shares at an average price of R27.15 and 2,143,535 shares vested to employees in terms of the Share Plans.

21. INTEREST AND NON-INTEREST-BEARING BORROWINGS

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

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

	2024 R'm	2023 R'm
21. INTEREST AND NON-INTEREST-BEARING BORROWINGS (CONTINUED)		
Secured borrowings		
– Term Loan A[1]	**250.0**	250.0
– Revolving credit facility B[2]	**825.0**	825.0
– Revolving credit facility C[3]	**825.0**	775.0
– Term Loan E[4]	**150.0**	150.0
– RMB General Banking Facility[5]	**810.0**	1,025.0
– Standard Bank General Banking facility[6]	**180.0**	270.0
	3,040.0	3,295.0
Secured Instalment loan facilities	**20.7**	3.2
	3,060.7	3,298.2
Unsecured: Minority shareholder loans in subsidiary[7]	**3.6**	7.4
Total borrowings	**3,064.3**	3,305.6
Less: Current portion (refer to note 26)	**(6.7)**	(8.3)
Minority shareholder loans	**(3.6)**	(7.4)
Instalment loan facilities	**(3.1)**	(0.9)
Non-current borrowings	**3,057.6**	3,297.3

The debt facilities are provided by Standard Bank, Rand Merchant Bank, Nedbank and Investec.
The instalment sales agreements are secured by plant and equipment to which they relate.
Mpact has pledged certain assets as collateral against certain borrowings. The values of these assets as at 31 December 2024 are as follows:

	2024 R'm	2023 R'm
Assets pledged as collateral for other borrowings		
Property, plant and equipment	**3,561.1**	3,065.5
Inventories	**1,639.8**	1,534.8
Trade and other receivables	**2,351.0**	2,688.4
Cash and cash equivalents	**669.1**	483.0
Total carrying value of assets pledged as collateral	**8,221.0**	7,771.7

[1]*Incurs interest at three-month JIBAR plus 1.45% (2023: three-month JIBAR plus 1.50%) and expires in August 2027.*
[2]*R242.7 million incurs interest at one-month JIBAR plus 1.45% (2023: one-month JIBAR plus 1.50%) and R582.3 million incurs interest at three-month JIBAR plus 1.45% (2023: three-month JIBAR plus 1.50%) and expires in August 2027.*
[3]*Incurs interest at one-month JIBAR plus 1.55% (2023: one-month JIBAR plus 1.60%) and expires in August 2026.*
[4]*Incurs interest at three-month JIBAR plus 1.55% (2023: three-month JIBAR plus 1.60%) and expires in February 2027.*
[5]*Incurs interest at prime less 2.5% and R410 million expires after a notice period of 367 days and R400 million expires in February 2027 (2023: R700.0 million expires in August 2025 and R325.0 million expires in February 2027).*
[6]*Incurs interest at three-month JIBAR plus 1.65% and expires in December 2026.*
[7]*The loan was granted as a shareholder loan which is non-interest bearing with no fixed date of repayment.*

21. INTEREST AND NON-INTEREST-BEARING BORROWINGS (CONTINUED)

The margin on Term Loan A, RCF B, C and E are variable and are linked to certain sustainability targets. Any margin adjustments are prospectively adjusted. The margins are to be adjusted as follows:

KPI Status	Description	Margin adjustment following the 31 December 2023 Performance Target Date	Margin adjustment following the 31 December 2024 Performance Target Date
Successful completion of Mpact Carbon Emissions Target	GHG Emissions (Scope 1 & 2)	-3 basis points	-3 basis points
Non successful completion Mpact Carbon Emissions Target	GHG Emissions (Scope 1 & 2)	+3 basis points	+3 basis points
Successful completion of Mpact Water Efficiency Target	Water Consumption	-2 basis points	-2 basis points
Non successful completion of Mpact Water Efficiency Target	Water Consumption	+2 basis points	+2 basis points

Mpact successfully met the 31 December 2023 carbon emission and water efficiency targets which resulted in a reduction in the margins by 5 basis points. Facilities totalling R1,620 million remain committed and undrawn as at 31 December 2024 (2023: R1,375 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 R4,660 million (2023: R4,670 million). Mpact has met all its debt covenants for the current financial year.

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

22. LEASE LIABILITIES

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

	2024 R'm	2023 R'm
Non-current portion	**207.8**	173.2
Current portion	**62.6**	51.2
	270.4	224.4

As at 31 December 2024, potential future cash outflows of R122.0 million (2023: R56.1 million) (discounted) have not been included in the lease liability as it is not reasonably certain that the leases will be extended.

In the prior year R86.8 million (discounted) had been included in the lease liability as it was reasonably certain that the leases will be extended. In the current year the extension option was exercised. Refer to note 13 for the right of use asset, note 6 for profit and loss movements, and note 35: Financial Risk Management Contractual Maturity Analysis for the undiscounted cash flows.

23. RETIREMENT BENEFITS

Mpact operates post-retirement defined contribution plans for the majority of its employees as well as a post-retirement medical arrangement.

Defined contribution plan

The assets of the defined contribution plans are held separately in independently administered funds. The charge in respect of these plans for Mpact totalling R125.7 million (2023: R119.2 million) is calculated on the basis of the contribution payable by Mpact in the financial year. There were no material outstanding or prepaid contributions recognised in relation to these plans as at the reporting dates presented. The amount charged to the statement of profit or loss is the contributions paid or payable during the year.

Post-retirement medical plan

The post-retirement medical plan provides health benefits to retired employees and certain dependents. Eligibility for cover is dependent upon certain criteria. This plan is unfunded and there are no plan assets. The plan has been closed to new participants since 1 January 1999. The valuation is based on 61 pensioners (2023: 64 pensioners).

An actuarial valuation is performed each year using the projected unit credit method. The average discount rate for the plans' liabilities is based on AA-rated corporate bonds or similar government bonds of a suitable duration and currency. The actuarial present value of the promised benefits at the most recent valuation was performed during the 2024 financial year and indicates that the contractual post-retirement medical aid liability is adequately provided for within the financial statements.

Actuarial gains and losses, which can arise from differences between expected and actual outcomes or changes in actuarial assumptions, are recognised immediately in other comprehensive income and accumulated in equity. Any increase in the present value of plan liabilities expected to arise from employee service during the year is charged to underlying operating profit. The expected increase during the year in the present value of plan liabilities is included in interest expense.

The retirement benefit obligation recognised in the statement of financial position represents the present value of the defined benefit obligation as adjusted for unrecognised past service costs and as reduced by the fair value of scheme assets.

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

Actuarial assumptions

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

	2024 %	2023 %
Post-retirement medical plan		
Average discount rate for plan liabilities	**10.43**	11.88
Expected average increase of healthcare costs	**6.70**	8.22

The assumption for the average discount rate for plan liabilities is based on AA corporate bonds, which are of a suitable duration and currency.

23. RETIREMENT BENEFITS (CONTINUED)

Independent qualified actuaries carry out full valuations every year using the projected credit unit method. The actuaries have updated the valuations to 31 December 2024.

The total gain recognised in other comprehensive income relating to movements on actuarial gains or losses changes for the year ended 31 December 2024 is R1.8 million (2023: R1.2 million). A gain of R0.1 million (2023: R0.2 million) related to changes in financial assumptions and a gain of R1.7 million (2023: R1.0 million) related to changes in demographic assumptions.

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

	2024 **R'm**	2023 R'm
Post-retirement medical plans		
At 1 January	**32.7**	33.1
Interest cost	**3.7**	3.7
Re-measurement	**(1.8)**	(1.2)
Benefits paid	**(2.9)**	(2.9)
At 31 December	**31.7**	32.7

The amounts recognised in the statement of profit or loss are as follows:		
Analysis of the amount charged to operating profit		
Interest costs on plan liabilities[1]	**3.7**	3.7
Total charge to statement of profit or loss	**3.7**	3.7

[1]*Included in finance costs (refer to note 7).*

Sensitivity analysis

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

1% increase		
Effect on the aggregate of the current service cost and interest cost	**0.3**	0.3
Effect on the defined benefit obligation	**2.4**	2.6

	Liabilities Post-retirement medical plans **R'm**	**Remeasurement gain on plan liabilities** **R'm**
2020	36.9	3.9
2021	34.6	3.0
2022	33.1	2.3
2023	32.7	1.2
2024	31.7	1.8

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

	2024 R'm	Restated[1] 2023 R'm
24. DEFERRED TAX ASSETS/(LIABILITIES)		
Deferred tax asset		
At 1 January	**72.6**	3.7
Credited to statement of profit or loss - continuing operations	**25.9**	72.3
Reclassification	**(0.3)**	–
Charged to equity	**(3.7)**	(3.4)
At 31 December	**94.5**	72.6
Deferred tax liability		
At 1 January	**(274.6)**	(227.1)
Charged to statement of profit or loss - continuing operations	**(42.0)**	(11.5)
Credited/(charged) to statement of profit or loss - discontinued operation	**3.3**	(29.6)
Charged to statement of other comprehensive income	**(0.5)**	(0.3)
Charged to equity	**(6.9)**	(6.1)
Reclassification	**0.3**	–
At 31 December	**(320.4)**	(274.6)
Net deferred tax liability is presented as follows:	**(225.9)**	(202.0)
Tax losses	**129.4**	81.2
Right of use assets	**(60.3)**	(48.8)
Lease liabilities	**73.0**	60.6
Capital allowances	**(444.1)**	(403.2)
Fair value adjustments	**(5.2)**	(12.9)
Provisions and other temporary differences	**81.3**	121.1
Net deferred tax liability	**(225.9)**	(202.0)

[1]The Statement of profit or loss has been restated to present Versapak, the discontinued operation, on a post-tax basis. Refer to note 2.

A Group entity has estimated tax losses amounting to R149.8 million (2023: R417.3 million) on which deferred tax assets have not been raised due to its ability to generate future taxable profits. Refer to note 8 for the current year recognition of previously unrecognised tax losses. Mpact has applied the exception to recognising and disclosing information about deferred taxes related to Pillar Two.

25. DEFERRED INCOME

Government grants are recognised when the right to receive such grants is established and are treated as deferred income. They are released to the statement of profit or loss on a systematic basis, either over the expected useful lives of the assets for which they are provided, or over the periods necessary to match them with the related costs which they are intended to compensate.

	2024 R'm	2023 R'm
Government grants	**–**	0.3
Less current portion	**–**	(0.3)
Non-current portion	**–**	–

The government grants relate to Manufacturing Competitiveness Enhancement Programme (MCEP) grants received for capital expenditure. The income released to the statement of profit or loss of R0.3 million (2023: R1.7 million) has been off-set against operating expenses.

26. SHORT-TERM BORROWINGS

	2024 R'm	2023 R'm
Minority shareholder loans (refer to note 21)	**3.6**	7.4
Bank overdrafts	**12.0**	17.0
Instalment loan facilities (refer to note 21)	**3.1**	0.9
Total short-term borrowings	**18.7**	25.3

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

27. TRADE AND OTHER PAYABLES

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

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

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

	2024 R'm	2023 R'm
Trade payables	**1,537.4**	1,379.2
Amounts owed to related parties (refer to note 36)	**17.0**	5.5
Refund liabilities	**317.5**	317.5
Accruals	**251.1**	223.4
Staff expenses and staff related accruals	**261.0**	309.9
Other payables	**12.8**	9.7
Total trade and other payables	**2,396.8**	2,245.2

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

28. PROVISIONS

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

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

	2024 R'm	2023 R'm
Non-current portion of restoration and environmental provision[1]	**2.4**	2.2
Current portion of restoration and environmental[1]	**3.0**	16.0
Current portion of Dividend equivalent bonus[2]	**3.5**	2.6
Total current provisions	**6.5**	18.6

[1]The restoration and environmental provision represents the best estimate of the expenditure required to settle the obligation to rehabilitate environmental disturbances caused by production operations. A provision is recognised for the present value of such costs. In the current financial year, the provision decreased by R12.8 million which was recognised in the statement of profit or loss (2023: increase of R1.4 million).

[2]Relates to Bonus Share Plan awards, where dividends earned over the holding period are paid as a single cash payment on vesting date. In the current financial year, the provision increased by a net R0.9 million which was recognised in the statement of profit or loss (2023: increase of R0.3 million).

29. SHARE BASED PAYMENTS

Mpact participates in two equity settled, share-based compensations, namely: Bonus Share Plan (BSP) and Performance Share Plan (PSP). The vesting condition of the BSP is continued employment for a period of 3 years. The vesting condition of the PSP is dependent on Headline Earnings Per Share growth (HEPS) and Return on Capital Employed (ROCE) for a period of 3 years. The share-based payments arrangement are for executives and senior employees of Mpact Limited and its subsidiaries.

The fair value of the employee services received in exchange for the grant of share awards is recognised concurrently as an expense and an adjustment to equity. The total amount to be expensed over the vesting period is determined by reference to the fair value of the share awards granted. In respect of PSP, the expense is adjusted to take into account the probability of achieving the two performance conditions. At each reporting date, Mpact revises its estimates of the number of share awards that are expected to vest. It recognises the impact of the revision to original estimates, if any, in the statement of comprehensive income, with a corresponding adjustment to equity. During the vesting period, participants do not have shareholders' rights. Therefore, participants do not have the right to vote nor the right to share in the dividend distribution.

The total fair value charge in respect of all the Mpact share awards granted are as follows:

	2024 **R'm**	2023 R'm
Bonus Share Plan (BSP)	**16.1**	16.0
Performance Share Plan (PSP)	**6.9**	23.8
Total share-based payment expense	**23.0**	39.8

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

	2024	2023	2022	2021
Bonus Share Plan (BSP)				
Date of grant	**4 April**	1 April	1 April	1 April
Vesting period (months)	**36**	36	36	36
Expected leavers per annum (%)	**-**	-	-	-
Future risk-free interest rate	**8.46%**	8.47%	6.59%	5.92%
Grant date fair value per instrument (R)	**22.97**	26.46	28.86	18.70
Performance Share Plan (PSP)				
Date of grant	**4 April**	1 April	1 April	1 April
Vesting period (months)	**36**	36	36	36
Expected leavers per annum (%)	**-**	-	-	-
Share price volatility	**-**	-	-	-
Future risk-free interest rate	**8.46%**	8.47%	6.59%	5.92%
Expected outcome of meeting performance criteria				
-Return on capital employed (“ROCE”) component	**30%**	60%	90%[1]	100%
-HEPS growth	**90%**	90%	90%[1]	100%
Grant date fair value per instrument (R)				
– HEPS component	**22.97**	26.46	28.86	18.70
– ROCE component	**22.97**	26.46	28.86	18.70

[1]*ROCE was changed to 79.8% and HEPS growth to 0% in the current financial year.*

29. SHARE BASED PAYMENTS (CONTINUED)

A reconciliation of share award movements for Mpact is shown below:	BSP Number of shares	PSP Number of shares
1 January 2024	**2,118,759**	**3,233,381**
Shares conditionally awarded in the year	**576,111**	**1,020,668**
Shares vested in the year	**(771,547)**	**(1,368,464)**
Shares lapsed in the year	**(58,628)**	**–**
31 December 2024	**1,864,695**	**2,885,585**
1 January 2023	2,991,908	4,923,250
Shares conditionally awarded in the year	643,901	929,083
Shares vested in the year	(1,476,327)	(2,510,791)
Shares lapsed in the year	(40,723)	(108,161)
31 December 2023	2,118,759	3,233,381

During the year share awards were vested at a share price of R27.00 per share.

30. CAPITAL COMMITMENTS

Capital commitments are based on capital projects approved by the end of the financial year and the budget approved by the Board. Capital expenditure contracted for at the reporting date in respect of plant and equipment, but not yet incurred is as follows:

	2024 R'm	2023 R'm
Contracted for	**225.4**	566.6
Approved, not yet contracted for	**1,273.4**	1,434.6
Total capital commitments	**1,498.8**	2,001.2

The capital commitments will be financed from existing cash resources, unutilised borrowing facilities. Commitments of R1,137.3 million (2023: R1,719.2 million) is expected to be spent in the next 12 months. The balance of R361.5 million (2023: R282.0 million) is expected to be spent in over five years.

31. OPERATING LEASE COMMITMENTS

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

Expiry date:		
Within one year	**3.5**	2.3
Total operating lease commitments	**3.5**	2.3

The current year commitments relate to short term leases.

32. DISCONTINUED OPERATION

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

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

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 of which R254.5 million was paid by Sinica with the balance outstanding at year end.

The results for the year are presented below:

	2024 R'm	Restated[1] 2023 R'm
Revenue from contracts with customers	**855.5**	1,136.5
Expenses	**(792.4)**	(1,035.8)
Gain recognised on the remeasurement to fair value less costs to sell	**–**	74.0
Loss on sale of business[2]	**(2.7)**	–
Operating profit	**60.4**	174.7
Net finance income	**0.1**	1.0
Tax expense	**(38.1)**	(47.5)
- ordinary activities for the period[3]	**(38.8)**	(27.5)
- remeasurement to fair value less costs to sell	**–**	(20.0)
- loss on sale of business	**0.7**	–
Profit for the year from discontinued operation[4]	**22.4**	128.2

[1]The Statement of profit or loss has been restated to present Versapak, the discontinued operation, on a post-tax basis. Refer to note 2.

[2]Success fee amounting to R13.9 million and a net gain recognised on plant and equipment amounting to R11.2 million.

[3]Deferred tax charged on differences between accounting and tax costs on disposal of business.

[4]Profit for the year is after eliminating intercompany transactions where they were recognised without further adjustment.

32. DISCONTINUED OPERATION (CONTINUED)

	2024 R'm	2023 R'm
The major classes of assets and liabilities of Trays & Films are as follows:		
Assets		
Plant and equipment	–	140.0
Inventories	–	107.7
Assets held for sale	**–**	247.7
Liabilities		
Other payables	**–**	(8.4)
Liabilities held for sale	**–**	(8.4)
Net assets held for sale	**–**	239.3
The net cash flows are as follows:		
Operating activities	**49.8**	104.4
Investing activities	**(10.4)**	(19.1)
Net cash outflow	**39.4**	85.3

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)**	–

	2024 R'm	2023 R'm

33. CONSOLIDATED CASH FLOW ANALYSIS

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

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

	2024 R'm	2023 R'm
Profit before taxation from total operations	**707.6**	1,027.0
Profit before taxation from continuing operations	**647.1**	851.3
Profit before taxation from discontinued operation	**60.5**	175.7
Adjusted for:		
Depreciation, amortisation and impairments	**575.6**	627.2
Gain recognised on the remeasurement to fair value less costs to sell	**–**	(74.0)
Net gain recognised on plant and equipment on sale of business	**(11.2)**	–
Share-based payments (refer to note 29)	**23.0**	39.8
Net finance costs	**297.1**	283.0
Share of equity accounted investee profit	**(18.5)**	(18.3)
Decrease in retirement benefit obligation	**(2.9)**	(2.9)
(Decrease)/increase in provisions	**(12.0)**	1.0
Net decrease in working capital	**323.0**	108.4
(Increase)/decrease in inventories	**(180.4)**	20.8
Decrease/(increase) in receivables	**346.5**	(12.4)
Increase in payables	**156.9**	100.0
Profit on disposal of tangible assets	**(3.5)**	(3.7)
Fair value change on transactions not qualifying as hedges	**(8.9)**	2.4
Amortisation of government grant	**(0.3)**	(1.7)
(Profit)/loss on disposal of right of use assets and lease liabilities	**(0.6)**	0.3
Cash generated from operations	**1,868.4**	1,988.5

(b) Taxation paid

	2024 R'm	2023 R'm
Opening balance - net (payable)/receivable	**(32.4)**	2.1
Current tax charge for total operation	**(102.8)**	(280.7)
Tax effects on shares purchased for vesting	**17.0**	33.1
Closing balance - net payable	**26.1**	32.4
	(92.1)	(213.1)

(c) Total cash outflow for leases

	2024 R'm	2023 R'm
Repayment of lease liabilities	**(62.2)**	(67.1)
Interest on lease liabilities	**(24.4)**	(17.9)
Short term leases	**(33.8)**	(32.1)
Low value leases	**(5.9)**	(5.7)
	(126.3)	(122.8)

33. CONSOLIDATED CASH FLOW ANALYSIS (CONTINUED)

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

	1 January R'm	Cash inflows R'm	Cash outflows R'm	Changes in fair value R'm	Other [1] R'm	31 December R'm
2024						
Non-current interest and non-interest-bearing borrowings	**3,297.3**	**770.0**	**(1,010.3)**	**–**	**0.6**	**3,057.6**
Non-current lease liabilities	**173.1**	**–**	**–**	**–**	**34.7**	**207.8**
Current portion of borrowings	**25.3**	**399.8**	**(409.1)**	**–**	**2.7**	**18.7**
Current portion derivative financial instruments	**3.4**	**–**	**–**	**(0.7)**	**–**	**2.7**
Current portion of lease liabilities	**51.2**	**–**	**(62.2)**	**–**	**73.6**	**62.6**
Total	**3,550.3**	**1,169.8**	**(1,481.6)**	**(0.7)**	**111.6**	**3,349.4**
2023						
Non-current interest and non-interest-bearing borrowings	2,700.6	1,670.0	(1,073.3)	–	–	3,297.3
Non-current lease liabilities	151.0	–	–	–	22.1	173.1
Current portion of borrowings	26.3	457.0	(440.7)	–	(17.3)	25.3
Current portion derivative financial instruments	4.2	–	–	(0.8)	–	3.4
Current portion of lease liabilities	60.9	–	(67.1)	–	57.4	51.2
Total	2,943.0	2,127.0	(1,581.1)	(0.8)	62.2	3,550.3

[1]Reclassification of liabilities between non-current liabilities and current liabilities, acquisition of subsidiaries and movements in the overdraft facility. Lease liabilities also includes current year additions, the de-recognition of the liabilities and lease re-measurements.

	2024 R'm	2023 R'm
33. CONSOLIDATED CASH FLOW ANALYSIS (CONTINUED)		
(e) Cash and cash equivalents		
Cash and cash equivalents per current assets	**975.5**	881.5
Net cash and cash equivalents per statement of cash flows	**975.5**	881.5

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

	2024 R'm	2023 R'm
34. CAPITAL MANAGEMENT		
Mpact defines its total capital employed as equity, as presented in the statement of financial position, plus net debt, less financial asset investments.		
Total borrowings (including lease liabilities and excluding overdrafts)	**3,334.7**	3,530.0
Less: cash and cash equivalents, net of overdrafts	**(963.5)**	(864.5)
Net debt	**2,371.2**	2,665.5
Less: Loans and receivables	**(26.3)**	(28.7)
Adjusted net debt	**2,344.9**	2,636.8
Equity	**5,865.9**	5,467.5
Total capital employed	**8,210.8**	8,104.3

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

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

• gearing, defined as net debt divided by total capital employed; with a range of 20% to 40% and

• return on capital employed, defined as underlying operating profit, plus share of associates and jointly controlled company profit, before special items, divided by average capital employed, with a range of 16% to 18%, excluding capital work in progress.

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

Refer to note 4 for the financial covenant conditions.

35. FINANCIAL RISK MANAGEMENT

Mpact's trading and financing activities expose it to various financial risks that, if left unmanaged, could adversely impact on current or future earnings. Although not necessarily mutually exclusive, these financial risks are categorised separately according to their different generic risk characteristics and include market risk (foreign exchange risk and interest rate risk), credit risk and liquidity risk. Mpact is actively engaged in the management of all of these financial risks in order to minimise their potential adverse impact on the Mpact's financial performance.

The principles, practices and procedures governing the group-wide financial risk management process have been approved by the Board and are overseen by the executive committee. In turn, the executive committee delegates authority to a central treasury function (Group treasury) for the practical implementation of the financial risk management process across Mpact and for ensuring that Mpact's entities adhere to specified financial risk management policies. Group treasury continually reassesses and reports on the financial risk environment, identifying, evaluating and hedging financial risks by entering into derivative contracts with counterparties where appropriate. Mpact does not take speculative positions on derivative contracts and only enters into contractual arrangements with counterparties that have investment grade credit ratings.

Financial assets and financial liabilities are recognised in Mpact's statement of financial position when Mpact becomes party to the contractual provisions of the instrument. A financial asset or financial liability is initially measured at fair value. Trade receivables are without a significant financing component and are initially measured at the transaction price.

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

MARKET RISK

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

Foreign exchange risk

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

35. FINANCIAL RISK MANAGEMENT (CONTINUED)

Exposure

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

Foreign currency	2024 R'm	2023 R'm
Trade payables		
CHF	**–**	0.1
EUR	**51.1**	4.0
GBP	**0.5**	–
JPY	**1.6**	37.8
USD	**37.8**	3.2
Trade receivables		
BWP	**1.6**	–
EUR	**3.1**	–
GBP	**6.2**	–
USD	**97.4**	0.3

Foreign exchange contracts

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

Interest rate risk

Mpact holds cash and cash equivalents, which earn interest at a variable rate and has variable rate debt in issue. Consequently, Mpact is exposed to interest rate risk.

Management of cash and cash equivalents

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

Management of variable rate debt

Mpact has multiple variable rate debt facilities. Mpact's cash and cash equivalents acts as a natural hedge against possible unfavourable movements in the relevant inter-bank lending rates on its variable rate debt, subject to any interest rate differentials that exist between corporate saving and lending rates.

Net variable rate debt sensitivity analysis

The net variable rate exposure represents variable rate debt less and cash and cash equivalents. Reasonably possible changes in interest rates have been applied to net variable rate exposure, in order to provide an indication of the possible impact on Mpact's statement of profit or loss. In the current year, Mpact considered that a reasonable possible change to be the change in the prime lending rate.

35. FINANCIAL RISK MANAGEMENT (CONTINUED)

Interest rate risk sensitivities on variable rate debt

	2024 R'm	2023 R'm
Total debt (including overdrafts)	**3,076.3**	3,322.6
Less:		
Non-interest-bearing debt	**(3.6)**	(7.4)
Cash and cash equivalents	**(975.5)**	(881.5)
Net variable rate exposure	**2,097.2**	2,433.7
+/– basis points change		
Potential impact on earnings + 50 basis points (2023: +125 basis points)	**(7.7)**	(22.2)
Potential impact on earnings - 50 basis points (2023: -125 basis points)	**7.7**	22.2

CREDIT RISK

Impairment of financial assets

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

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

	2024 R'm	2023 R'm
Exposure to credit risk		
Cash and cash equivalents	**975.5**	881.5
Derivative financial instruments	**5.9**	0.6
Trade and other receivables (excluding prepayments and accrued income)	**2,501.6**	2,822.9
Other financial assets	**52.7**	36.4
Total credit risk exposure	**3,535.7**	3,741.4

Credit risk exposure arising on cash and cash equivalents is managed through dealing with well-established financial institutions of good standing for investment and cash management purposes. Moody's bank ratings relating to the bank balances were Ba1.

35. FINANCIAL RISK MANAGEMENT (CONTINUED)

Credit risk associated with trade receivables

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

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

LIQUIDITY RISK

Liquidity risk is the risk that Mpact could experience difficulties in meeting its commitments to creditors as financial liabilities fall due for payment. Mpact manages its liquidity risk by using reasonable and retrospectively-assessed assumptions to forecast the future cash generative capabilities and working capital requirements of the businesses it operates and by maintaining sufficient reserves, committed borrowing facilities and other credit lines as appropriate.

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

	2024 **R'm**	2023 R'm
Expiry date		
2 or more years	**1,620.0**	1,375.0
Total credit available	**1,620.0**	1,375.0

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

Contractual maturity analysis

Trade receivables, the principal class of non-derivative financial assets held by Mpact, are settled gross by customers. Mpact's financial investments, which are not held for trading and therefore do not comprise part of the Group and Company's liquidity planning arrangements, make up the remainder of the non-derivative financial assets held.

The following table presents Mpact's outstanding contractual maturity profile for its non-derivative financial liabilities. The analysis presented is based on the undiscounted contractual maturities of Mpact's financial liabilities, including any interest that will accrue, except where Mpact is entitled and intends to repay a financial liability, or part of a financial liability, before its contractual maturity. Non-interest-bearing financial liabilities which are due to be settled in less than 12 months from maturity equal their carrying values, since the impact of the time value of money is immaterial over such a short duration.

35. FINANCIAL RISK MANAGEMENT (CONTINUED)

	Undiscounted cash flow				
	<1 year R'm	1-2 years R'm	2-5 years R'm	5+ years R'm	Total R'm
2024					
Trade and other payables	**2,396.8**	**–**	**–**	**–**	**2,396.8**
Lease liabilities	**80.9**	**94.2**	**143.2**	**–**	**318.3**
Borrowings[1]	**336.2**	**1,701.8**	**1,712.4**	**1.1**	**3,751.5**
Total	**2,813.9**	**1,796.0**	**1,855.6**	**1.1**	**6,466.6**
2023					
Trade and other payables	2,245.2	–	–	–	2,245.2
Lease liabilities	60.4	51.9	79.4	68.6	260.3
Borrowings	297.2	1,491.0	2,069.8	–	3,858.0
Total	2,602.8	1,542.9	2,149.2	68.6	6,363.5

[1]Borrowing facilities amounting to R1,415 billion will expire in 2026, R1,625 billion will expire in 2027.

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

Maturity profile of outstanding derivative positions

	Undiscounted cash flow			
	<1 year R'm	1-2 years R'm	2-5 years R'm	Total R'm
2024				
Foreign exchange contracts	**(1.9)**	**–**	**–**	**(1.9)**
Total	**(1.9)**	**–**	**–**	**(1.9)**
2023				
Foreign exchange contracts	0.9	–	–	0.9
Total	0.9	–	–	0.9

Financial instruments by category

Financial assets	Fair value hierarchy	At amortised cost R'm	At fair value through profit or loss R'm	Total R'm
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**
2023				
Trade and other receivables[1]		2,822.9	–	2,822.9
Loans receivable	Level 3	36.4	–	36.4
Derivative financial instruments	Level 2	–	0.6	0.6
Cash and cash equivalents[1]		881.5	–	881.5
Total		3,740.8	0.6	3,741.4

35. FINANCIAL RISK MANAGEMENT (CONTINUED)

Financial liabilities	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)**
2023				
Borrowings	**Level 3**	–	(3,322.6)	(3,322.6)
Lease liabilities	**Level 3**	–	(224.4)	(224.4)
Trade and other payables[1]		–	(2,245.2)	(2,245.2)
Derivative financial instrument	**Level 2**	(3.4)	–	(3.4)
Total		(3.4)	(5,792.2)	(5,795.6)

[1]*The carrying value reasonably approximates the fair value*.

Fair value estimation

Measurement of fair values

Mpact's accounting policies and disclosures require the measurement of fair values for both financial and non-financial assets and liabilities. Mpact has an established control framework with respect to the measurement of fair values. Significant valuation issues are reported to the Group's Audit Committee.

When measuring the fair value of an asset or a liability, Mpact uses observable market data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs). Mpact values the assets using a discounted cashflow technique. The expected net cash flows are discounted using a risk-adjusted discount rate.

If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

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

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

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

Specific valuation methodologies used to value financial instruments include:

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

36. RELATED PARTY TRANSACTIONS

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

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

	2024 R'm	2023 R'm
Sales to joint arrangement	**4.2**	0.7
Sales to associates	**455.5**	404.2
Purchases from associates	**0.4**	1.6
Dividend income from associates	**16.3**	18.9
Interest income from joint arrangement	**1.2**	–
Loan to joint arrangement (see note 15)	**13.7**	2.6
Loan to associate (see note 15)	**5.9**	–
Receivables due from joint arrangement (see note 17)	**2.5**	13.8
Receivables due from associates[1] (see note 17)	**82.8**	110.2
Payables due to associates (see note 27)	**17.0**	5.5

[1]*Payment terms are between 30 to 90 days*.

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

37. CONTINGENT LIABILITIES, CONTINGENT ASSETS AND PERFORMANCE GUARANTEES

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

Performance guarantees disclosure

(a) Contingent liabilities for Mpact comprise aggregate amounts at 31 December 2024 of R27.7 million (2023: R21.8 million) in respect of guarantees given to municipalities and other third parties.

Contingent liabilities disclosure

(b) As advised to shareholders on 26 May 2016, the Company was subject to a Competition Commission investigation pertaining to alleged anti-competitive conduct between Mpact and New Era. Mpact co-operated with the Competition Commission and dealt with the issues identified transparently through applying for corporate leniency in respect of the Competition Commission's investigations. The Competition Commission has concluded a consent agreement with New Era Packaging regarding the historic investigations, which have been settled by New Era without any admission of liability. Mpact is pleased to note that, as the Commission has settled with New Era, this historic matter has now been finalised. Mpact and the Competition Commission have also concluded a settlement agreement relating to Mpact's historic acquisition of minority interests in certain sheet plants for an amount of R7.0 million.

38. INTEREST IN SUBSIDIARIES, ASSOCIATES AND JOINT ARRANGEMENTS

Basis of consolidation

Subsidiary

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

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

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

Equity accounted investees

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

Translation of foreign operations

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

Control assessment

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

Group Structure

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

38. INTEREST IN SUBSIDIARIES, ASSOCIATES AND JOINT ARRANGEMENTS (CONTINUED)

	Country of Incorporation	**Share capital 2024**	Share capital 2023	**Share holding 2024**	Share holding 2023
Subsidiaries - Direct Holding				**%**	%
Mpact Operations Proprietary Limited[1]	RSA	**R20,000**	R20,000	**90**	90
Sunko Mauritius[2]	Mauritius	**-**	R100	**-**	100
Embalagens Mpact Limitada[3]	Mozambique	**M3,346,800**	M1,213,000	**90**	90
Mpact Corrugated Proprietary Limited	Namibia	**N$100**	N$100	**74**	74
Subsidiaries - Indirect Holding					
Mpact Paarl Property Proprietary Limited[4]	RSA	**R100**	R100	**100**	100
Mpact Plastic Containers Proprietary Limited	RSA	**R100**	R100	**66**	66
Magic Attitude Trading 57 Proprietary Limited	RSA	**R100**	R100	**100**	100
Detpak South Africa Proprietary Limited	RSA	**R7,144**	R7,144	**51**	51
Recycling Consolidated Holdings Proprietary Limited	RSA	**R167,177,719**	R167,177,719	**100**	100
West Coast Paper Traders Proprietary Limited	RSA	**R400**	R400	**60**	60
Mpact Plastic Containers Castleview Proprietary Limited[5]	RSA	**R1,653,173,811**	R496,117,894	**66**	66
Mpact Flexo Graphics Proprietary Limited	RSA	**R500,000**	-	**51**	-
Mpact Foundation (RF) Proprietary Limited	RSA	**R1**	R1	**100**	100
Associates-Indirect Holding					
Farmpack Proprietary Limited[6]	RSA	**R100**	R100	**49**	49
Seyfert Corrugated Western Cape Proprietary Limited	RSA	**R15,500,201**	R15,500,201	**49**	49
Ikhwezi Industries Proprietary Limited[7]	RSA	**R1,000**	R1,000	**24**	24
Africa Tanks Proprietary Limited[8]	RSA	**R16,634,017**	-	**30**	-
Joint arrangement - Indirect Holding					
Dalisu Holdings Proprietary Limited	RSA	**R100**	R100	**49**	49
Controlling interests in Trust					
Mpact Foundation Trust	RSA	**-**	-	**-**	-
Mpact Limited Incentive Scheme Trust	RSA	**-**	-	**-**	-

[1]The remaining 10% is ultimately held by Mpact Foundation Trust. The trust is controlled by Mpact Limited.
[2]The entity was deregistered in the current year.
[3]An additional investment was made in the current year.
[4]In the current year, Mpact Versapak Proprietary Limited changed its name to Mpact Paarl Property Proprietary Limited.
[5]The increase in the share capital is due to a group reorganisation between Mpact Plastic Containers Proprietary Limited and Mpact Plastic Containers Castleview Proprietary Limited.
[6]Previously referred to as Lomina Vyf Proprietary Limited.
[7]The 24% holding is held by West Coast Paper Traders Proprietary Limited.
[8]The 30% holding is held by Mpact Plastic Containers Castleview Proprietary Limited.

38. INTEREST IN SUBSIDIARIES, ASSOCIATES AND JOINT ARRANGEMENTS (CONTINUED)

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

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

Summarised financial information of partly-owned subsidiaries	**Mpact Plastic Containers Group**	**Other subsidiaries**	**Total**
	34%		
2024	**R'm**	**R'm**	**R'm**
Non-current assets	**867.2**	**261.9**	
Current assets	**503.9**	**744.1**	
Non-current liabilities	**(180.9)**	**(56.2)**	
Current liabilities	**(290.0)**	**(421.8)**	
Net assets	**900.2**	**528.0**	
Carrying amount of non-controlling interests	**306.1**	**214.5**	**520.6**
2023	34%		
Non-current assets	725.3	238.2	
Current assets	642.6	629.6	
Non-current liabilities	(457.2)	(56.2)	
Current liabilities	(180.1)	(335.3)	
Net assets	730.6	476.3	
Carrying amount of non-controlling interests	248.4	192.4	440.8

Other subsidiaries

The non-current assets from Embalagens Mpact Limitada amounted to R2.5 million (2023: R2.3 million), Detpak Holdings (Proprietary) Limited amounted to R175.8 million (2023: R164.7 million), West Coast Paper Traders (Proprietary) Limited amounted to R37.3 million (2023: R39.1 million), Mpact Corrugated (Proprietary) Limited (Namibia) amounted to R42.3 million (2023: R32.1 million) and Mpact Flexo Graphics (Proprietary) Limited amounted to R4.0 million (2023: Rnil million).

The current assets from Embalagens Mpact Limitada amounted to R85.8 million (2023: R49.7 million), Detpak Holdings (Proprietary) Limited amounted to R234.2 million (2023: R227.3 million), West Coast Paper Traders (Proprietary) Limited amounted to R261.9 million (2023: R217.6 million), Mpact Corrugated (Proprietary) Limited (Namibia) amounted to R159.1 million (2023: R135.0 million) and Mpact Flexo Graphics (Proprietary) Limited amounted to R3.1 million (2023: Rnil million).

The non-current liabilities from Detpak Holdings (Proprietary) Limited amounted to R26.8 million (2023: R43.6 million), West Coast Paper Traders (Proprietary) Limited amounted to R3.1 million (2023: R5.1 million), Mpact Corrugated (Proprietary) Limited (Namibia) amounted to R22.0 million (2023: R7.5 million) and Mpact Flexo Graphics (Proprietary) Limited amounted to R4.3 million (2023: Rnil million).

The current liabilities from Embalagens Mpact Limitada amounted to R66.8 million (2023: R28.6 million), Detpak Holdings (Proprietary) Limited amounted to R130.2 million (2023: R124.0 million), West Coast Paper Traders (Proprietary) Limited amounted to R137.6 million (2023: R106.8 million), Mpact Corrugated (Proprietary) Limited (Namibia) amounted to R84.8 million (2023: R75.9 million) and Mpact Flexo Graphics (Proprietary) Limited amounted to R2.4 million (2023: Rnil million).

38. INTEREST IN SUBSIDIARIES, ASSOCIATES AND JOINT ARRANGEMENTS (CONTINUED)

Revenue
Revenue from Embalagens Mpact Limitada amounted to R104.9 million (2023: R114.5 million), Detpak Holdings (Proprietary) Limited amounted to R559.6 million (2023: R550.7 million), Mpact Plastic Containers Group amounted to R1,304.8 million (2023: R1,095.5 million), West Coast Paper Traders (Proprietary) Limited amounted to R805.9 million (2023: R700.5 million), Mpact Corrugated (Proprietary) Limited (Namibia) amounted to R358.0 million (2023: R306.9 million) and Mpact Flexo Graphics (Proprietary) Limited amounted to R5.8 million (2023: Rnil million).

Total comprehensive profit
The aggregate total comprehensive profit for non-wholly owned subsidiaries is R240.6 million (2023: R177.0 million), of which a R87.7 million profit (2023: R62.4 million) is attributable to non-controlling shareholders. The aggregated total comprehensive profit from Mpact Plastic Containers Group amounted to R169.8 million (2023: R96.2 million).

Cash flows
The aggregated net cash inflow from operating activities is R475.1 million (2023: R400.5 million), aggregated net cash outflow from investing activities is R270.5 million (2023: R354.5 million) and aggregated net cash outflow from financing activities is R318.8 million (2023: inflow of R194.5 million).

39. EVENTS OCCURRING AFTER THE REPORTING DATE

On 3 February 2025, Mpact advised shareholders that its ordinary shares would be traded on A2X with effect from 11th February 2025.

On 06 March 2025, the Board declared a final ordinary dividend of 75 cents per share payable on 14 April 2025 to shareholders registered on 11 April 2025.

There were no other significant or material subsequent events which would require adjustment to or disclosure in the consolidated financial statements.

40. DIRECTORS REMUNERATION

Executive directors' and prescribed officers' remuneration

Prescribed officers are defined as having general executive control over and management of a significant portion of Mpact or regularly participate therein to a material degree, and are not directors of Mpact. Prescribed officers include the four highest paid non-directors. The remuneration of the executive directors and prescribed officers, all of which are paid by Mpact, who served during the period under review was as follows:

R's	Guaranteed package (TGCOE)[1]	Short term incentive - cash portion [2]	Other[3]	Sub total Cash based remuneration	Short term incentive - deferred portion (grant value)[4]	Long term incentive - Intrinsic value[5]	Total remuneration
2024							
Executive directors							
BW Strong	6,850,057	1,709,774	178,902	**8,738,733**	961,748	3,055,474	**12,755,955**
JJ Snyman[6]	3,576,208	750,682	1,818	**4,328,708**	455,606	–	**4,784,314**
BDV Clark[7]	2,169,543	348,863	142,483	**2,660,889**	–	1,741,945	**4,402,834**
Total	**12,595,808**	**2,809,319**	**323,203**	**15,728,330**	**1,417,354**	**4,797,419**	**21,943,103**
Prescribed Officers							
C Botha	4,502,388	1,505,599	82,051	**6,090,038**	846,899	1,481,481	**8,418,418**
JW Hunt	4,229,672	1,387,332	119,445	**5,736,449**	780,374	1,391,752	**7,908,575**
HM Thompson	5,625,135	1,980,048	164,252	**7,769,435**	1,113,777	1,881,862	**10,765,074**
Total	**14,357,195**	**4,872,979**	**365,748**	**19,595,922**	**2,741,050**	**4,755,095**	**27,092,067**
2023							
Executive directors							
BW Strong	6,508,365	3,571,791	238,085	**10,318,241**	2,009,132	11,296,805	**23,624,178**
BDV Clark	4,947,176	2,382,560	182,775	**7,512,511**	1,340,190	6,440,401	**15,293,102**
Total	**11,455,541**	**5,954,351**	**420,860**	**17,830,752**	**3,349,322**	**17,737,206**	**38,917,280**
Prescribed Officers							
C Botha	4,247,536	2,225,709	–	**6,473,245**	1,251,961	5,191,059	**12,916,265**
JW Hunt	3,990,257	2,119,625	137,658	**6,247,540**	1,192,289	5,133,298	**12,573,127**
N Naidoo[8]	4,244,493	2,570,465	147,103	**6,962,061**	1,445,887	5,460,371	**13,868,319**
HM Thompson	5,344,546	2,963,016	202,971	**8,510,533**	1,666,697	6,957,710	**17,134,940**
Total	**17,826,832**	**9,878,815**	**487,732**	**28,193,379**	**5,556,834**	**22,742,438**	**56,492,651**

[1]Guaranteed package (TGCOE) paid for the 12 months of the financial year.

[2]Short-term incentive (STI) earned on performance for the 2024 financial year, to be paid in March 2025. (2023: STI earned on 2023 performance, paid in March 2024).

[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 bonus shares to be granted (56.25% of STI) on 1 April 2025, based on 2024 short term incentive performance and vesting in March 2028. (2023: Value of the bonus share granted (56.25% of STI) on 1 April 2024 based on 2023 short term incentive performance and vesting in March 2027).

[5]Intrinsic value is calculated by taking the number of Performance shares expected to vest in March 2025, based on performance over the three-year period ended 31 December 2024, multiplied by the closing Mpact share price at 31 December 2024 (2023: Performance shares expected to vest in March 2024, based on performance over the three-year period ended 31 December 2023, multiplied by the closing Mpact share price at 31 December 2023).

[6]Appointed on 1 June 2024. Of the total TGCOE amount, R2,626,400 was paid as director of Mpact Limited and R949,808 was paid as a divisional commercial manager of Recycling Consolidated Holdings Proprietary Limited.

[7]Retired on 31 May 2024.

[8]Retired on 31 December 2023.

40. DIRECTORS REMUNERATION (CONTINUED)

Share awards granted to executive directors and prescribed officers

The following tables set out the share award grants to the executive directors.

EXECUTIVE DIRECTOR

	Type of award[1,2]	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 2024
BW Strong								
	BSP	**Apr 21**	**Mar 24**	84,031	–	84,031	–	–
	PSP	**Apr 21**	**Mar 24**	379,342	–	379,342	–	–
	BSP	**Apr 22**	**Mar 25**	77,532	–	–	–	77,532
	PSP	**Apr 22**	**Mar 25**	259,171	–	–	155,736	103,435
	BSP	**Apr 23**	**Mar 26**	86,392	–	–	–	86,392
	PSP	**Apr 23**	**Mar 26**	296,328	–	–	74,082	222,246
	BSP	**Apr 24**	**Mar 27**	–	73,256	–	–	73,256
	PSP	**Apr 24**	**Mar 27**	–	333,013	–	133,205	199,808
Total number of shares				**1,182,796**	**406,269**	**463,373**	**363,023**	**762,669**

R's

Type of award [1,2]	Date of award/ grant	Award/ grant price (Rand)[9]	Face value of shares awarded/ granted in prior years[3]	Face value of shares awards/ granted during the year[4]	Cumulative effects of share price movement gain/(loss)[5]	Value of shares vested during the year[6]	Value of shares lapsed or expected to lapse at vesting date	Market value of shares at 31 December 2024[7]
BSP	**Apr 21**	20.44	1,717,594	–	551,243	2,268,837	–	–
PSP	**Apr 21**	20.44	7,753,750	–	2,488,484	10,242,234	–	–
BSP	**Apr 22**	31.89	2,472,317	–	(182,022)	–	–	2,290,295
PSP	**Apr 22**	31.89	8,264,367	–	(608,456)	–	4,600,437	3,055,474
BSP	**Apr 23**	29.28	2,529,886	–	22,134	–	–	2,552,020
PSP[8]	**Apr 23**	29.28	8,677,610	–	75,919	–	2,188,382	6,565,147
BSP	**Apr 24**	27.43	–	2,009,104	154,878	–	–	2,163,982
PSP[8]	**Apr 24**	27.43	–	9,133,148	704,056	–	3,934,882	5,902,322
Total market value of shares			**31,415,524**	**11,142,252**	**3,206,236**	**12,511,071**	**10,723,701**	**22,529,240**

40. DIRECTORS REMUNERATION (CONTINUED)

Share awards granted to executive directors and prescribed officers (continued)

EXECUTIVE DIRECTOR

	Type of award[1,2]	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 2024
JJ Snyman								
	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	–	65,666	98,500
				13,521	**180,359**	**–**	**65,666**	**128,214**

R's

Type of award[1,2]	Date of award/ grant	Award/ grant price (Rand)[9]	Face value of shares awarded/ granted in prior years[3]	Face value of shares awards/ granted during the year[4]	Cumulative effects of share price movement gain/(loss)[5]	Value of shares vested during the year[6]	Value of shares lapsed or expected to lapse at vesting date	Market value of shares at 31 December 2024[7]
BSP	**Apr 23**	**29.28**	395,946	–	3,464	–	–	399,410
BSP	**Apr 24**	**27.43**	–	444,106	34,235	–	–	478,341
PSP[8]	**Jun 24**	**27.43**	–	4,502,384	347,080	–	1,939,785	2,909,679
			395,946	**4,946,490**	**384,779**	**–**	**1,939,785**	**3,787,430**

40. DIRECTORS REMUNERATION (CONTINUED)

Share awards granted to executive directors and prescribed officers (continued)

EXECUTIVE DIRECTOR

	Type of award[1,2]	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 2024
B Clark								
	BSP	**Apr 21**	**Mar 24**	67,849	–	67,849	–	–
	PSP	**Apr 21**	**Mar 24**	216,266	–	216,266	–	–
	BSP	**Apr 22**	**Mar 25**	58,432	–	–	–	58,432
	PSP	**Apr 22**	**Mar 25**	147,755	–	–	88,786	58,969
	BSP	**Apr 23**	**Mar 26**	65,379	–	–	–	65,379
	PSP	**Apr 23**	**Mar 26**	168,939	–	–	42,235	126,704
	BSP	**Apr 24**	**Mar 27**	–	48,865	–	–	48,865
				724,620	**48,865**	**284,115**	**131,021**	**358,349**

R's

Type of award [1,2]	Date of award/ grant	Award/ grant price (Rand)[9]	Face value of shares awarded/ granted in prior years[3]	Face value of shares awards/ granted during the year[4]	Cumulative effects of share price movement gain/(loss)[5]	Value of shares vested during the year[6]	Value of shares lapsed or expected to lapse at vesting date	Market value of shares at 31 December 2024[7]
BSP	**Apr 21**	**20.44**	1,386,834	–	445,089	1,831,923	–	–
PSP[8]	**Apr 21**	**20.44**	4,420,477	–	1,418,705	5,839,182	–	–
BSP	**Apr 22**	**31.89**	1,863,262	–	(137,181)	–	–	1,726,081
PSP[8]	**Apr 22**	**31.89**	4,711,567	–	(346,884)	–	2,622,738	1,741,945
BSP	**Apr 23**	**29.28**	1,914,546	–	16,750	–	–	1,931,296
PSP[8]	**Apr 23**	**29.28**	4,947,176	–	43,282	–	1,247,615	3,742,843
BSP	**Apr 24**	**27.43**	–	1,340,162	103,310	–	–	1,443,472
			19,243,862	**1,340,162**	**1,543,071**	**7,671,105**	**3,870,353**	**10,585,637**

40. DIRECTORS REMUNERATION (CONTINUED)

Share awards granted to executive directors and prescribed officers (continued)

PRESCRIBED OFFICER

	Type of award[1,2]	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 2024
C Botha								
	BSP	**Apr 21**	**Mar 24**	39,072	–	39,072	–	–
	PSP	**Apr 21**	**Mar 24**	183,488	–	183,488	–	–
	BSP	**Apr 22**	**Mar 25**	50,108	–	–	–	50,108
	PSP	**Apr 22**	**Mar 25**	125,662	–	–	75,510	50,152
	BSP	**Apr 23**	**Mar 26**	45,874	–	–	–	45,874
	PSP	**Apr 23**	**Mar 26**	145,047	–	–	36,262	108,785
	BSP	**Apr 24**	**Mar 27**	–	45,648	–	–	45,648
	PSP	**Apr 24**	**Mar 27**	–	164,165	–	65,666	98,499
				589,251	**209,813**	**222,560**	**177,438**	**399,066**

R's

Type of award [1,2]	Date of award/ grant	Award/ grant price (Rand)[9]	Face value of shares awarded/ granted in prior years[3]	Face value of shares awards/ granted during the year[4]	Cumulative effects of share price movement gain/(loss)[5]	Value of shares vested during the year[6]	Value of shares lapsed or expected to lapse at vesting date	Market value of shares at 31 December 2024[7]
BSP	**Apr 21**	**20.44**	798,632	–	256,312	1,054,944	–	–
PSP[8]	**Apr 21**	**20.44**	3,750,495	–	1,203,681	4,954,176	–	–
BSP	**Apr 22**	**31.89**	1,597,829	–	(117,639)	–	–	1,480,190
PSP[8]	**Apr 22**	**31.89**	4,007,072	–	(295,017)	–	2,230,574	1,481,481
BSP	**Apr 23**	**29.28**	1,343,365	–	11,753	–	–	1,355,118
PSP[8]	**Apr 23**	**29.28**	4,247,527	–	37,161	–	1,071,172	3,213,516
BSP	**Apr 24**	**27.43**	–	1,251,933	96,509	–	–	1,348,442
PSP[8]	**Apr 24**	**27.43**	–	4,502,356	347,078	–	1,939,774	2,909,660
			15,744,920	**5,754,289**	**1,539,838**	**6,009,120**	**5,241,520**	**11,788,407**

40. DIRECTORS REMUNERATION (CONTINUED)

Share awards granted to executive directors and prescribed officers (continued)

PRESCRIBED OFFICER

	Type of award[1,2]	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 2024
JW Hunt								
	BSP	**Apr 21**	**Mar 24**	54,811	–	54,811	–	–
	PSP	**Apr 21**	**Mar 24**	172,374	–	172,374	–	–
	BSP	**Apr 22**	**Mar 25**	46,523	–	–	–	46,523
	PSP	**Apr 22**	**Mar 25**	118,051	–	–	70,937	47,114
	BSP	**Apr 23**	**Mar 26**	42,922	–	–	–	42,922
	PSP	**Apr 23**	**Mar 26**	136,261	–	–	34,065	102,196
	BSP	**Apr 24**	**Mar 27**	–	43,473	–	–	43,473
	PSP	**Apr 24**	**Mar 27**	–	154,222	–	61,689	92,533
Total number of shares				**570,942**	**197,695**	**227,185**	**166,691**	**374,761**

R's

Type of award [1,2]	Date of award/ grant	Award/ grant price (Rand)[9]	Face value of shares awarded/ granted in prior years[3]	Face value of shares awards/ granted during the year[4]	Cumulative effects of share price movement gain/(loss)[5]	Value of shares vested during the year[6]	Value of shares lapsed or expected to lapse at vesting date	Market value of shares at 31 December 2024[7]
BSP	**Apr 21**	20.44	1,120,337	–	359,560	1,479,897	–	–
PSP	**Apr 21**	20.44	3,523,325	–	1,130,773	4,654,098	–	–
BSP	**Apr 22**	31.89	1,483,511	–	(109,222)	–	–	1,374,289
PSP	**Apr 22**	31.89	3,764,375	–	(277,148)	–	2,095,474	1,391,753
BSP	**Apr 23**	29.28	1,256,919	–	10,997	–	–	1,267,916
PSP[8]	**Apr 23**	29.28	3,990,240	–	34,910	–	1,006,287	3,018,863
BSP	**Apr 24**	27.43	–	1,192,282	91,911	–	–	1,284,193
PSP[8]	**Apr 24**	27.43	–	4,229,662	326,056	–	1,822,287	2,733,431
Total market value of shares			**15,138,707**	**5,421,944**	**1,567,837**	**6,133,995**	**4,924,048**	**11,070,445**

40. DIRECTORS REMUNERATION (CONTINUED)

Share awards granted to executive directors and prescribed officers (continued)

PRESCRIBED OFFICER

	Type of award[1,2]	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 2024
HM Thompson								
	BSP	**Apr 21**	**Mar 24**	78,158	–	78,158	–	–
	PSP	**Apr 21**	**Mar 24**	233,637	–	233,637	–	–
	BSP	**Apr 22**	**Mar 25**	63,939	–	–	–	63,939
	PSP	**Apr 22**	**Mar 25**	159,623	–	–	95,917	63,706
	BSP	**Apr 23**	**Mar 26**	60,540	–	–	–	60,540
	PSP	**Apr 23**	**Mar 26**	182,508	–	–	45,627	136,881
	BSP	**Apr 24**	**Mar 27**	–	60,771	–	–	60,771
	PSP	**Apr 24**	**Mar 27**	–	205,103	–	82,041	123,062
Total number of shares				**778,405**	**265,874**	**311,795**	**223,585**	**508,899**

R's

Type of award [1,2]	Date of award/ grant	Award/ grant price (Rand)[9]	Face value of shares awarded/ granted in prior years[3]	Face value of shares awards/ granted during the year[4]	Cumulative effects of share price movement gain/(loss)[5]	Value of shares vested during the year[6]	Value of shares lapsed or expected to lapse at vesting date	Market value of shares at 31 December 2024[7]
BSP	**Apr 21**	20.44	1,597,550	–	512,716	2,110,266	–	–
PSP	**Apr 21**	20.44	4,775,540	–	1,532,659	6,308,199	–	–
BSP	**Apr 22**	31.89	2,038,868	–	(150,110)	–	–	1,888,758
PSP	**Apr 22**	31.89	5,090,010	–	(374,747)	–	2,833,402	1,881,861
BSP	**Apr 23**	29.28	1,772,841	–	15,510	–	–	1,788,351
PSP[8]	**Apr 23**	29.28	5,344,528	–	46,759	–	1,347,822	4,043,465
BSP	**Apr 24**	27.43	–	1,666,693	128,482	–	–	1,795,175
PSP[8]	**Apr 24**	27.43	–	5,625,114	433,629	–	2,423,497	3,635,246
Total market value of shares			**20,619,337**	**7,291,807**	**2,144,898**	**8,418,465**	**6,604,721**	**15,032,856**

[1]Bonus share plan (BSP).

[2]Performance share plan (PSP).

[3]Face value at award/grant date is the number of shares awarded/granted at the award/grant price.

[4]During the year share grants and awards were made at R27.43 per share.

[5]Cumulative effects of share price gains and losses represents the difference between the face value at the award/grant date and the sum of the value at vesting, the value lapsed or expected to lapse and the market value at 31 December 2024.

[6]During the year share awards were vested at a share price of R27.00 per share.

[7]Market value at 31 December 2024 is the closing share price which was R29.54 per share.

[8]Assumed a 75% achievement of PSP awarded in 2023, and 60% for awards made in 2024.

[9]Award/grant price is the VWAP of Mpact Limited for the fifteen days following the release of Mpact's year-end results.

40. DIRECTORS REMUNERATION (CONTINUED)

R's

	Paid by Mpact Limited		Paid by Mpact Operations (Proprietary) Limited[2]			Total Paid by Group
Non-executive directors' remuneration	**Fees paid as Trustee to the Mpact Foundation Trust[1]**	**Total**	**Fees paid as non-executive director[1]**	**Professional fees**	**Total**	**Total**
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[3]	–	–	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[4]	–	–	513,397	–	513,397	513,397
D Wilson	–	–	790,095	–	790,095	790,095
Total	**242,664**	**242,664**	**5,194,310**	**58,645**	**5,252,955**	**5,495,619**
2023						
AJ Phillips	–	–	990,988	–	990,988	990,988
ABA Conrad	128,751	128,751	487,255	–	487,255	616,006
NP Dongwana[5]	50,454	50,454	301,852	–	301,852	352,306
S Luthuli	–	–	764,453	–	764,453	764,453
M Makanjee	77,224	77,224	728,557	–	728,557	805,781
TDA Ross	–	–	782,090	–	782,090	782,090
D Wilson	–	–	514,521	–	514,521	514,521
Total	**256,429**	**256,429**	**4,569,716**	**–**	**4,569,716**	**4,826,145**

[1]The above amounts exclude VAT.
[2]The Company's main operating subsidiary is Mpact Operations Proprietary Limited, which conducts the vast majority of the business and affairs of the broader Mpact group. The NEDs were therefore appointed to the board of Mpact Operations with effect from 23 September 2022 in which capacity they will continue to attend to the governance of Mpact Operations and its subsidiaries. In their capacity as NEDs of Mpact Operations Proprietary Limited, they will be remunerated for services rendered to Mpact Operations Proprietary Limited.
[3]Appointed on 17 May 2024.
[4]Retired on 6 June 2024.
[5]Retired on 1 June 2023.