METAIR
INVESTMENTS LIMITED
automotive | industrial | retail

SUMMARISED AUDITED CONSOLIDATED RESULTS

For The Year Ended 31 December 2024

RESET AND SUSTAINABLE GROWTH WITH A FOCUS ON AFRICA

HIGHLIGHTS

Revenue resilient*
declining by only 2% to
R11.8bn
despite lower SA OEM production

Operating profit*
(before capital items)
decreased by 20% to
R504m

Headline earnings per share*
decreased by 9 cents to
89 cents per share

B-BBEE
maintained at
Level 1

- New strategy approved and implementation advanced
- Strong turnaround in profitability from continuing operations
- Improved risk profile post the disposal of Mutlu
- AutoZone transaction creates a strong platform for growth in aftermarket
- Debt restructuring approved post year-end

* From continuing operations

METAIR INVESTMENTS LIMITED
(Incorporated in the Republic of South Africa)
(“Metair” or “the group” or “the company”)

(Reg No. 1948/031013/06)
JSE and A2X share code: MTA • ISIN code: ZAE000090692

SUMMARISED CONSOLIDATED RESULTS COMMENTARY

INTRODUCTION

The year under review required strategic agility to mitigate against the challenges in the markets in which Metair operates.

The group has focused on areas within its control, especially operational execution and continued support for customers. Appropriate measures were successfully implemented to reduce costs, optimise manufacturing capabilities and production efficiencies, rationalise unprofitable business lines and adjust commercial strategies.

The continued improvement initiatives and turnaround at Hesto Harnesses ("Hesto"), the group's major wiring harness supplier, was particularly pleasing when considering the significant losses incurred in the previous financial year ("F2023"). The group also successfully acquired AutoZone Holdings Proprietary Limited ("AutoZone"), representing a strategic shift to diversify revenue streams and gain access to an established aftermarket distribution channel. Integration processes and the identification of synergistic opportunities are progressing satisfactorily.

It was also essential to mitigate and de-risk against the increasing financial volatility of and exposure to Mutlu Group in Türkiye ("Mutlu"). Metair therefore successfully implemented the disposal of Mutlu, as detailed in the announcement published on SENS on Friday, 20 December 2024, albeit at final proceeds that were much lower than originally envisaged. Mutlu's net debt and accounts payable increased substantially during the year mainly because of the requirement to fund Mutlu operations in a continued challenging hyper-inflationary and high-interest rate environment as well as in-country challenges to remain cost competitive, especially in the local aftermarket. The loss of the Russian market, due to EU imposed sanctions, had a significant impact on Mutlu's ability to earn and hedge against hard currency exposures like the US Dollar. We are satisfied that the disposal has served to substantially de-risk the group's balance sheet and regain control of interest costs, ultimately to the benefit of the remainder of the group and its stakeholders.

As part of the long-term strategy to focus on profitability and cash flow generation, we successfully rolled out projects to improve production efficiencies in all the subsidiaries. Certain non-core operations such as First Battery's ("FB") industrial business and Alfred Teves Brake Systems' ("ATE") manufacturing line have been restructured, temporarily impacting earnings before interest and taxation ("EBIT"), with c. R41 million in once-off restructuring costs incurred. With leaner, more efficient operations, the restructured businesses are now well-positioned to successfully compete in their respective segments.

One of the key areas that Metair faced during 2024 was to resolve its debt leverage and finalisation of the debt restructure continued at pace into the first quarter of the 2025 financial year.

To address the group's liquidity and debt position and commitment to implement a feasible debt restructuring plan, the group's lenders have in principle agreed to refinance Metair's current gross debt obligation which allows for a repayment profile that matches expected earnings growth and cash flows over a period of five years. Further details are summarised in the commentary following below ("Debt Restructuring").

RESULTS FROM CONTINUING OPERATIONS

Mutlu is classified as a discontinued operation. "Capital items", namely headline earnings adjustments relating to impairments, and profit/loss on disposals and acquisitions, have been presented separately. The F2023 comparatives have been represented accordingly.

Operating conditions remained challenging throughout the financial year ended 31 December 2024 ("F2024"), largely due to lower production at local South African Original Equipment Manufacturers ("OEMs") caused by weaker demand from traditional export markets, as well as market share shifts due to the influx of imported vehicles, especially from China and India. In addition, reduced production volumes at one of the group's major customers, Toyota South Africa Motors ("TSAM"), due to engine certification issues, significantly impacted the results of most Metair subsidiaries. These issues were resolved by TSAM during December 2024.

Revenue from continuing operations has been resilient, declining by only 2% to R11.8 billion (F2023: R12.1 billion). This is despite the impact of lower OEM production volumes (TSAM specifically) which exposed the group to an annual volume decline of c. 28%. The volume reduction was mitigated by better efficiencies, cost controls and price growth, the latter mainly due to higher material cost content and complexity, and increased export battery sales. The Automotive Components business (excluding Hesto, which is accounted for as an associate) contributed R7.2 billion to group revenue (F2023: R7.8 billion) and the remaining Energy Storage businesses R4.6 billion (F2023: R4.2 billion).

EBIT* declined 20% to R504 million (F2023: R633 million) and the EBIT margin was 4.3% (F2023: 5.3%), while EBITDA** decreased to R844 million (F2023: R916 million), both temporarily impacted by the once-off restructuring costs of R41 million.

Net finance expenses decreased 13% to R222 million (F2023: R256 million) and share of equity profit from associates amounted to R32 million (F2023: R10 million loss). The group's share of Hesto's net profit after interest and tax, amounting to R68 million (F2023: R430 million loss), is not included within equity accounted earnings as it is deferred until sufficient future profits are generated to reverse the accumulated losses.

Headline earnings per share ("HEPS"), on a continuing basis, decreased by 9 cents (9%) to 89 cents per share (F2023: 98 cents per share), mainly due to lower profitability in the overall Automotive business. Return on Invested Capital ("ROIC") was reported at 7.1% (2023: 11.1%).

**EBIT – calculated as profit before interest, taxation and share of associate earnings but excluding the impact of capital items (impairments, and profit/loss on disposals and acquisitions). Comparatives have been adjusted accordingly.*

***EBITDA – calculated as profit before interest, taxation and includes equity-accounted earnings plus depreciation, amortisation, and excludes the impact of capital items (impairments, and profit/loss on disposals and acquisitions). Comparatives have been adjusted accordingly.*

SEGMENTAL RESULTS

HESTO

Hesto demonstrated a strong and pleasing operational recovery in response to the turnaround initiatives implemented and following the production ramp-up challenges at a major customer during F2023. Management remained focused on production efficiencies as well as preparations for new auto customer facelifts and model introductions. While Hesto generated revenue slightly lower than F2023 at R5.5 billion in F2024 (F2023: R5.7 billion), EBIT improved from a loss of R608 million in F2023 to a profit of R257 million, at a margin of 4.7% (F2023: loss of 10.7%).

AUTOMOTIVE COMPONENTS VERTICAL

South African OEM production volumes of passenger and light commercial vehicles ("LCVs") declined 5% from 649 231 to 615 989 in F2024. The group was exposed to an annual volume demand decline of c. 28% from a single major customer which impacted all business units.

Subsidiary business units Lumotech, Supreme Spring, Automould and Smiths Manufacturing focused on operating efficiencies and stringent cost control to mitigate the lower volumes. Their performance contributed EBIT of R365 million (F2023: R553 million) at a margin of 5.1% (F2023: 7.1%). Production capacity and shift patterns are being adjusted to flex with the new market demand.

A decision was also taken to transition ATE into a trading only business model.

The turnaround in Hesto has protected the group from the worst of the TSAM challenge and speaks to the benefit of maintaining a diversified portfolio. With the inclusion of Hesto, the vertical contributed revenue of R12.7 billion (F2023: R13.5 billion) and generated EBIT of R622 million (F2023: R54 million loss) with a margin of 4.9% (F2023: 0.4% loss).

ENERGY STORAGE VERTICAL
(EXCLUDING MUTLU WHICH WAS DISCONTINUED FOLLOWING DISPOSAL)

Energy Storage EBIT increased by a pleasing 28% to R272 million (F2023: R212 million) before the impacts of impairments and restructuring costs. An enhanced focus on customer delivery resulted in a 9% revenue increase to R4.6 billion (F2023: R4.2 billion) and EBIT margin improved to 5.9% (F2023: 5.0%).

FB in South Africa had a strong recovery, despite lower automotive battery volumes sold of 1.6 million units (F2023: 1.7 million units) in a competitive price-sensitive market. The significant focus by management has improved the sales mix, as well as manufacturing efficiencies and scrap recovery, which supported an EBIT improvement of 25% to R225 million (F2023: R179 million) at a margin of 10.6% (F2023: 8.5%).

Excluded from EBIT are once off costs of c. R32 million associated with the restructuring of FB's industrial division. Trading was discontinued due to market dynamics and falling prices which prevented the model from achieving the required profitability. Going forward FB will concentrate on its core competencies in automotive production.

Sales of automotive batteries at Rombat S.A in Romania ("Rombat") improved by a robust 23% to 2.8 million units, supported by gains in export sales. Despite facing competition from cheap imports and higher exposure to OEMs, the business generated EBIT of R45 million (F2023: R33 million) at a margin of 1.8% (F2023: 1.6%). This excludes write offs of c. R43 million from the impairment and disposal of a portion of the Li-Ion line and R53 million from the impairment of goodwill.

When including the impact of restructuring costs, Energy Storage EBIT amounted to R240 million at a 5.2% margin.

DISCONTINUED OPERATION (MUTLU)

The disposal was a critical element of Metair's turnaround as Mutlu accounted for approximately 70% of Metair's total interest cost and 23% of Metair's net debt. Türkiye's interest rates increased to 50% during F2024, and the annual inflation rate peaked at 75% before dropping to 44.4% in December 2024.

Due to tough trading conditions, the hyperinflationary environment and excessive interest, Mutlu reported a post-hyperinflation loss after tax and interest of R486 million up-to-date of sale in December 2024 (F2023: R74 million profit for the full year). Due to the resulting high debt and trade creditor levels, equity proceeds of US$1 million (subject to closing accounts finalisation) were realised on the sale, and together with the impact of hyperinflation as well as recycling of foreign currency translation losses, the loss on sale including costs was R3.9 billion.

AUTOZONE ACQUISITION

The group completed the acquisition of AutoZone on 13 December 2024 for an aggregate amount of R278.5 million. The net asset value of identifiable assets acquired, comprising mainly inventory, amounted to c. R473 million and resulted in a purchase gain of c. R195 million ("non-HEPs"). AutoZone is consolidated effectively from 31 December 2024, as allowed under IFRS3. Had the acquisition occurred on 1 January 2024, AutoZone would have contributed R1.8 billion to group revenue.

FINANCIAL POSITION

When compared to F2023, the significant changes in the financial position of the group mainly arise due to the disposal of Mutlu, the acquisition of AutoZone and the short-term bridge funding raised.

Group net debt (bank borrowings less cash and cash equivalents, excluding Hesto) declined marginally to R2.7 billion (F2023: R2.8 billion). Mutlu's net debt derecognised upon disposal amounted to R1.2 billion (an increase of c. R569 million from R666 million at December 2023). The derecognition of Mutlu's debt was offset by short-term bridge funding raised during the year with Standard Bank of South Africa ("SBSA") for R1.815 billion. The bridge funding was utilised to rebalance Hesto's shareholder loan funding, pro-rata, on 1 July 2024 for R685 million, R290 million was applied to acquire AutoZone and R840 million was used for the preference share redemption on 17 December 2024. When including the proportionate share of Hesto's external debt and guarantees, net debt amounts to R4.0 billion (F2023: R4.5 billion).

Efforts focused on working capital management were successful in reducing net working capital by R1.3 billion to R2.0 billion (F2023: R3.3 billion), but this was also impacted by the combination of the Mutlu disposal and the acquisition of AutoZone. Cash generated from operations (before interest and taxes paid) increased to R1.5 billion (F2023: R1.2 billion) and free cash flow of R776 million was generated, relative to R306 million generated in the prior year.

Cash and cash equivalents improved to R808 million from R567 million in F2023, a result of improved working capital management.

Group net asset value per share declined to 1 388 cents (F2023: 2 790 cents), mainly because of the significant loss realised on disposal of Mutlu.

DEBT RESTRUCTURING

As noted in the announcement published on SENS on Friday, 14 February 2025, the group's net debt (including Hesto and associated guarantees) amounted to approximately R4 billion at 31 December 2024 (F2023: R4.5 billion), the majority of which is classified as short term.

On 10 March 2025, the board of directors of Metair ("Board") and Metair's lenders approved a capital restructuring plan ("Capital Restructure"), designed to provide Metair with a more sustainable debt structure and appropriately aligned repayment terms to reposition Metair for growth and long-term sustainability.

In terms of the Capital Restructure, the group's lenders have in principle agreed to refinance Metair's current gross debt obligation, by means of two separate packages, namely:

- Hesto ("Hesto Obligor") in an amount of R1 377 million, to be used to refinance the existing R475 million facilities as well as to repay the disproportionate loan advanced to Hesto by its minority shareholder, Yazaki Corporation; and
- the remaining South African subsidiaries ("SA Obligor"), in an amount of R3 300 million, to be refinanced through a five-year senior debt of R1 700 million comprising an amortising loan and a bullet term loan of R850 million, respectively, with the remaining R1 600 million structured as a Mezzanine Instrument, repayable by 30 June 2027.

Further information regarding the Capital Restructure, including the key terms of the Hesto Obligor and SA Obligor term sheets is detailed in the 2024 Integrated Annual Report, which can be found on the company's website.

GOING CONCERN, LIQUIDITY AND DEBT COVENANTS

The group's reported net debt to equity ratio increased to 97% (F2023: 52%) as the loss on disposal of Mutlu contributed to a decline in net asset value from R5.5 billion in F2023 to R2.8 billion. Net debt to EBITDA, calculated on a covenant testing methodology (including a proportionate share of Hesto's external debt and Yazaki guarantees), was 3.4 times (F2023: 3.1 times), higher than the original funders' requirement of 2.5 times used as a measure at reporting date. Due to the debt refinancing and associated remedial actions, the covenant breaches existing at 31 December 2024 have been resolved.

Management is closely monitoring debt levels and liquidity, with a priority to reduce debt and de-gear in the medium term. In addition, the group is implementing a range of strategies to support de-gearing towards a sustainable capital structure and enhance earnings and cash generation, including effective cash management through, *inter alia*, the introduction of a centralised treasury function, various cost control measures, delaying non-critical capital expenditures and engaging customers for flexible support on capital investments for new models.

As a result, management and the Board determined that there is no material uncertainty or significant doubt about the group's ability to continue as a going concern and sufficient access to facilities are available for ongoing operational requirements. Unutilised operational credit facilities amounted to R880 million (F2023: R767 million) in South Africa and R255 million (F2023: R1.6 billion) internationally. As part of the overall debt package, the level of working capital facilities will also be revised and reduced in tranches.

FINANCIAL GUARANTEES

The company provided financial guarantees effectively for $45 million for trade credit facilities (F2023: $57 million for trade credit and loan funding) advanced by the other shareholder, Yazaki Corporation, and R355 million (2023: R466 million) for funding advanced by SBSA on behalf of Hesto. The company also provided financial guarantees for R2.0 billion on behalf of its subsidiary, Nikisize (Pty) Ltd, for the bridge funding advanced by SBSA. R1.8 billion was drawn down in December 2024 and a further amount of R185 million was utilised to settle a portion of the Yazaki trade credit facility during February 2025.

CAPITAL EXPENDITURE
(INCLUDING HESTO)

The group invested R598 million (F2023: R690 million) to support future growth and improve efficiencies. R245 million was spent on maintenance, R342 million on expansion and R11 million on health and safety. For 2025, the capital expenditure request is contingent on the group's liquidity, cash flow, debt and gearing positions, as well as ongoing customer funding support. The provisional allocation, including Hesto, is forecasted at c. R703 million. R295 million is allocated for essential maintenance, quality and health and safety requirements, and R408 million is provisionally allocated for new customer vehicle model renewals (including R120 million of previously approved expenditure carried forward from 2023).

EUROPEAN COMPETITION COMMISSION'S ("COMMISSION") STATEMENT OF OBJECTIONS ("SO")

The Commission's investigations into alleged anti-competitive behaviour relating to automotive battery manufacturers in Europe (including Rombat) remains ongoing. Metair and its Dutch subsidiary, Metair International Holding Cooperatief UA, are also parties to the SO based on the presumption that they exercised decisive influence over Rombat since 14 March 2012.

For the avoidance of doubt, the SO does not constitute a definitive ruling by the Commission and Rombat and Metair are still awaiting the Commission's final decision following the written and oral submissions. Latest information is that a decision could be made just before the European summer.

Due to the uncertainty in quantifying and determining the timing of any potential fine, the matter continues to be treated as a contingent liability at balance sheet date.

OUTLOOK AND PROSPECTS

Metair thrives in stable environments with high automotive production volumes, however, the group is currently navigating a challenging operational and geo-political landscape. Shifts in market share continue to influence vehicle production across key regions, particularly as engine technology and drive-train trends evolve and consumer preferences change. The demand outlook for the year ahead hinges on OEM customer production volumes within the Automotive Components Vertical, as well as improvements in the aftermarket and export sales mix.

The group is concentrating on areas within its control, with a primary focus on efficient project management and operational improvements. This will result in reduced cost structures, solidify our foundation, and enhance margins to achieve optimal returns on invested capital.

In South Africa, we are working towards gaining market share by expanding product offerings and entering new sales channels. While we face short-term challenges related to volume declines and high debt levels, management has made significant progress regarding its stabilisation and turnaround strategy. Hesto has shown a strong recovery, and local operations, for example Lumotech and FB, are contributing meaningfully to profitability. To address market shifts and volume variability, right-sizing certain operations will be a priority in the 2025 financial year. The AutoZone acquisition will be a key strategic driver in terms of diversifying our dependence on local OEMs and opening new aftermarket sales channels.

Going forward, and in line with our strategy, the primary segmental focus will move from Automotive Components and Energy Storage to Automotive Component Manufacturing and Aftermarket Automotive Parts and Services. We aim to expand in Sub-Saharan Africa's mobility sectors through our "reset and growth" strategy, creating long-term value and fostering sustainable mobility. This will involve optimising EBITDA, driving efficiencies and ensuring that leadership has the right capabilities to guide the company. The group is committed to positioning itself for the future by embracing technological advancements and strengthening relationships with OEMs, partners and customers.

The capital restructure allows for a repayment profile that matches expected earnings growth and cash flows over a period of five years. The mandatory prepayment provisions for both the Hesto Obligor and SA Obligor will be governed by specific terms outlined in the agreed term sheets, which remain subject to certain conditions precedent. The company anticipates that all outstanding conditions will be fulfilled within the next two months.

We are optimistic about the progress made in repositioning the group in the past financial year and will continue to reset Metair on a sustainable growth path in 2025, and beyond.

SUMMARISED CONSOLIDATED INCOME STATEMENT	31 December 2024 R'000	31 December 2023 R'000 *Represented**
Continuing operations		
Revenue	**11 819 213**	12 055 648
Cost of sales	**(10 367 594)**	(10 618 796)
Gross profit	**1 451 619**	1 436 852
Other operating income and dividend income	**301 552**	246 589
Distribution, administrative and other operating expenses	**(1 248 870)**	(1 050 410)
Operating profit before capital items	**504 301**	633 031
Capital items	**98 504**	(162 263)
Operating profit	**602 805**	470 768
Share of results and impairment of associates	**31 743**	(10 059)
Interest income	**122 855**	47 568
Interest expense	**(344 731)**	(303 546)
Profit before taxation	**412 672**	204 731
Taxation	**(130 794)**	(149 859)
Profit from continuing operations for the period	**281 878**	54 872
Discontinued operations	**(4 436 354)**	73 762
(Loss)/profit for the period	**(4 154 476)**	128 634
Attributable to equity holders:		
Continuing operations	**271 922**	21 773
Discontinued operations	**(4 436 354)**	73 762
	(4 164 432)	95 535
Attributable to non-controlling interest holders:		
Continuing operations	**9 956**	33 099
	(4 154 476)	128 634
Capital items from continuing operations consist of:		
Impairments	**(80 766)**	(180 923)
(Loss)/profit on sale of property, plant, and equipment	**(15 689)**	18 660
Gain on bargain purchase	**194 959**	
Included in operating expenses above are:		
Depreciation and amortisation	**308 024**	289 847
Rentals on short-term and low value assets	**51 245**	46 212
Impairment (reversal)/loss on financial assets	**(18 137)**	52 641
Disaggregation of revenue from contracts with customers		
Primary geographical markets		
South Africa	**9 315 364**	9 972 575
UK	**106 027**	108 218
Romania	**2 397 822**	1 974 855
	11 819 213	12 055 648

* *Mutlu is classified as a discontinued operation. Capital items, namely headline earnings adjustments, have been presented separately. Comparative numbers have therefore been represented.*

SUMMARISED CONSOLIDATED INCOME STATEMENT continued	31 December 2024 R'000	31 December 2023 R'000 *Represented**
Major product and service lines		
Automotive batteries	**4 291 462**	3 825 298
Automotive components, parts and tooling	**7 191 452**	7 809 891
Industrial and non-automotive products	**336 299**	420 459
	11 819 213	12 055 648
Timing of revenue recognition		
Products transferred at a point in time	**6 120 310**	5 688 851
Products and services transferred over time	**5 698 903**	6 366 797
	11 819 213	12 055 648
Earnings per share		
Basic (loss)/earnings per share (cents)	**(2 146)**	49
Headline (loss)/earnings per share (cents)	**(203)**	135
Diluted headline (loss)/earnings per share (cents)	**(201)**	133
Earnings per share from continuing operations		
Basic earnings per share (cents)	**140**	11
Headline earnings per share (cents)	**89**	98
Diluted earnings per share from continuing operations		
Diluted earnings per share (cents)	**138**	11
Diluted headline earnings per share (cents)	**88**	96
Number of shares in issue ('000)	**198 986**	198 986
Number of shares in issue excluding treasury shares ('000)	**194 157**	193 770
Weighted average number of shares in issue ('000)	**194 094**	193 770
Adjustment for dilutive shares ('000)	**2 617**	4 061
Number of shares used for diluted earnings calculation ('000)	**196 711**	197 831
Calculation of headline earnings		
Net (loss)/profit attributable to ordinary shareholders	**(4 164 432)**	95 535
Loss/(profit) on disposal of property, plant and equipment – net	**14 666**	(15 273)
Impairment of property, plant and equipment	**36 874**	179 420
Impairment of goodwill	**52 570**	–
Gain on bargain purchase	**(194 959)**	–
Loss on disposal of investments	**3 860 829**	–
Impairment of investment in associates	**–**	2 793
Headline (loss)/earnings	**(394 452)**	262 475
Headline earnings from continuing operations	**172 395**	189 491
Headline (loss)/earnings from discontinued operations	**(566 847)**	72 984

SUMMARISED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME	31 December 2024 R'000	31 December 2023 R'000 *Represented***
(Loss)/profit for the period	**(4 154 476)**	128 634
Other comprehensive (loss)/income:		
- Actuarial losses recognised – net	**(17 097)**	(18 869)
- Foreign exchange translation movements including the effect of hyperinflation	**518 882**	297 064
Recycling of foreign currency translation reserve upon disposal of foreign operation	**908 406**	–
Net other comprehensive income	**1 410 191**	278 195
Total comprehensive (loss)/income for the period	**(2 744 285)**	406 829
Attributable to equity holders:		
Continuing operations	**50 017**	(73 322)
Discontinued operations	**(2 804 133)**	446 537
	(2 754 116)	373 215
Attributable to non-controlling interest holders:		
Continuing operations	**9 831**	33 614
	(2 744 285)	406 829

SUMMARISED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY	31 December 2024 R'000	31 December 2023 R'000
Balance at beginning of the period	**5 532 876**	5 197 495
Net (loss)/profit for the period	**(4 154 476)**	128 634
Other comprehensive income for the period	**1 410 191**	278 195
Total comprehensive (loss)/income for the period	**(2 744 285)**	406 829
Employee share option scheme	**17 615**	(32 014)
Vesting of share-based payment obligation		
- Estimated taxation effects of utilisation of treasury shares	**(302)**	–
Dividend*	**(34 079)**	(36 479)
Disposal of operation – release of change in ownership reserve	**26 281**	–
Foreign currency translation, including the effect of hyperinflation	**(1 066)**	(2 955)
Balance at end of the period	**2 797 040**	5 532 876

* *No ordinary dividend was declared for the year ended 31 December 2024 and 2023.*
R34 million (2023: R36 million) refers to Smiths Manufacturing (Pty) Ltd and Rombat SA dividends paid to minority shareholders.

** *Comparative results have been represented for the classification of Mutlu as a discontinued operation.*

SUMMARISED CONSOLIDATED BALANCE SHEET	31 December 2024 R'000	31 December 2023 R'000
ASSETS		
Non-current assets	**4 111 562**	5 867 472
Property, plant and equipment	**2 703 344**	4 078 258
Intangible assets	**28 217**	1 166 971
Loan to associate	**960 645**	215 815
Investment in associates	**325 884**	289 982
Deferred taxation	**93 472**	116 446
Current assets	**5 567 421**	7 241 801
Inventory	**2 105 469**	3 289 551
Trade and other receivables	**1 715 889**	2 550 042
Contract assets	**545 332**	408 602
Taxation	**9 294**	22 488
Derivative financial assets	**18 927**	2 198
Cash and cash equivalents	**1 172 510**	968 920
Total assets	**9 678 983**	13 109 273
EQUITY AND LIABILITIES		
Capital and reserves		
Stated capital	**1 497 931**	1 497 931
Treasury shares	**(100 164)**	(106 974)
Reserves	**419 332**	(1 048 603)
Retained earnings	**876 810**	5 063 202
Ordinary shareholders' equity	**2 693 909**	5 405 556
Non-controlling interests	**103 131**	127 320
Total equity	**2 797 040**	5 532 876
Non-current liabilities	**643 537**	1 699 840
Borrowings	**257 357**	1 057 842
Post-employment benefits	**43 022**	63 622
Deferred taxation	**167 649**	393 880
Deferred grant income	**135 405**	131 749
Provisions for liabilities and charges	**40 104**	52 747
Current liabilities	**6 238 406**	5 876 557
Trade and other payables	**2 229 544**	2 870 256
Contract liabilities	**181 704**	47 004
Borrowings	**3 279 114**	2 384 725
Taxation	**41 937**	37 313
Provisions for liabilities and charges	**140 086**	126 134
Derivative financial liabilities	**1 870**	8 820
Bank overdrafts	**364 151**	402 305
Total liabilities	**6 881 943**	7 576 397
Total equity and liabilities	**9 678 983**	13 109 273
Net asset value per share (cents)	**1 388**	2 790
Capital expenditure	**465 773**	601 175
Capital commitments:		
- Contracted	**169 216**	77 494
- Provisionally allocated but not contracted	**343 752**	700 058

SUMMARISED CONSOLIDATED STATEMENT OF CASH FLOWS	31 December 2024 R'000	31 December 2023 R'000
Operating activities		
Operating (loss)/profit	**(3 640 243)**	486 597
Depreciation and amortisation	**470 614**	440 512
Share of results and impairment of associates	**–**	(10 059)
Net movement in provisions and derivatives	**48 073**	62 814
Loss on sale of subsidiary	**3 860 829**	–
Gain on bargain purchase	**(194 959)**	–
Other items	**134 798**	149 153
Working capital changes	**804 158**	27 952
Cash generated from operations	**1 483 270**	1 156 969
Interest paid	**(1 120 461)**	(779 300)
Taxation paid	**(191 557)**	(235 229)
Dividends paid	**(34 079)**	(36 479)
Dividends received from associates	**30 264**	6 047
Net cash inflow from operating activities	**167 437**	112 008
Investing activities		
Interest received	**87 133**	45 377
Acquisition of property, plant and equipment (excludes leased assets)	**(448 726)**	(576 101)
Net cash disposed on sale of subsidiary	**(102 002)**	–
Acquisition of subsidiary net of cash acquired	**(193 517)**	–
Loan to related party	**(685 079)**	–
Net cash utilised in other investing activities	**2 981**	6 050
Net cash outflow from investing activities	**(1 339 210)**	(524 674)
Financing activities		
Borrowings raised – net	**1 615 059**	257 019
Net cash utilised in other financing activities	**(78 308)**	(101 601)
Net cash inflow from financing activities	**1 536 751**	155 418
Net increase/(decrease) in cash and cash equivalents	**364 978**	(257 248)
Cash and cash equivalents at beginning of the period	**566 615**	980 310
Exchange loss and hyperinflation impact on cash and cash equivalents	**(123 234)**	(156 447)
Cash and cash equivalents at end of the period	**808 359**	566 615

SUMMARISED CONSOLIDATED SEGMENT REVIEW	Revenue 31 December 2024 R'000	Revenue 31 December 2023 R'000	Profit before interest and taxation 31 December 2024 R'000	Profit before interest and taxation 31 December 2023 R'000 Represented***
Energy storage				
Automotive	**4 291 462**	3 825 298	**299 803**	242 851
Local	**2 353 010**	2 216 493	**216 481**	162 630
Direct export	**1 938 452**	1 608 805	**83 322**	80 221
Industrial	**327 534**	413 862	**(104 354)**	(27 414)
Local	**317 621**	405 504	**(103 046)**	(27 245)
Direct export	**9 913**	8 358	**(1 308)**	(169)
Total energy storage	**4 618 996**	4 239 160	**195 449**	215 437
Capital items			**44 318**	(2 992)
Total energy storage before capital items			**239 767**	212 445
Automotive components				
Local	**12 659 031**	13 470 202	**610 546**	(45 397)
Original equipment	**11 766 473**	12 537 745	**531 010**	(109 365)
Aftermarket	**883 793**	925 860	**79 389**	63 947
Non-auto	**8 765**	6 597	**147**	21
Direct exports	**45 529**	47 621	**12 400**	4 844
Original equipment	**2 897**	1 067	**1 196**	401
Aftermarket	**42 632**	46 554	**11 204**	4 443
Total automotive components	**12 704 560**	13 517 823	**622 946**	(40 553)
Capital items			**(433)**	(13 909)
Total automotive components before capital items			**622 513**	(54 462)
Total segment results before capital items	**17 323 556**	17 756 983	**862 280**	157 859
Reconciling items:				
Managed associates*	**(5 504 343)**	(5 701 335)	**(257 271)**	607 580
Amortisation and depreciation arising from business combinations			**(3 072)**	(4 599)
Other reconciling items**			**(97 636)**	(127 933)
Total group revenue and operating profit before capital items	**11 819 213**	12 055 648	**504 301**	633 031
Li-ion line impairment			**(28 196)**	(179 164)
Other capital items			**126 700**	16 901
Total group revenue and operating profit	**11 819 213**	12 055 648	**602 805**	470 768
Share of results and impairment of associates			**31 743**	(10 059)
Profit before interest and taxation			**634 548**	460 709
Net finance costs			**(221 876)**	(255 978)
Tax expense			**(130 794)**	(149 859)
Profit after taxation from continuing operations			**281 878**	54 872
Loss from discontinued operations			**(4 436 354)**	73 762
(Loss)/profit after taxation			**(4 154 476)**	128 634

* *The results of Hesto Harnesses Pty (Ltd) ("Hesto") have been included in the segment review at 100%. Metair has a 74.9% equity interest but is responsible for the operational management.*

** *Other reconciling items relate to Capital Items, Metair head office and corporate costs.*

*** *Mutlu is classified as a discontinued operation. Capital items, namely, headline earnings adjustments, have been presented separately. Comparison numbers have therefore been represented.*

NOTES TO THE SUMMARISED CONSOLIDATED FINANCIAL STATEMENTS

BASIS OF PREPARATION

The summarised consolidated results for the year ended 31 December 2024 have been prepared in accordance with the JSE Limited Listings Requirements ("Listings Requirements") for summary financial statements and the requirements of the Companies Act, 71 of 2008 ("Companies Act"), applicable to summary financial statements. The Listings Requirements require summary financial statements to be prepared in accordance with the framework concepts and the measurement and recognition requirements of International Financial Reporting Standards ("IFRS"), IAS 34 Interim Financial Reporting, as well as the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and Financial Reporting Pronouncements as issued by the Financial Reporting Standards Council. The results do not include all the notes of the type normally included in an annual financial report prepared in accordance with International Financial Reporting Standards. Accordingly, this report is to be read in conjunction with the annual consolidated financial statements for the year ended 31 December 2024, which have been prepared in accordance with IFRS and comply with the Listings Requirements and the requirements of the Companies Act applicable to annual summary financial statements.

ACCOUNTING POLICIES

The accounting policies applied in the preparation of the consolidated annual financial statements, from which the summary financial statements were derived, are in terms of IFRS and are consistent with the accounting policies applied in the preparation of the previous consolidated annual financial statements.

CONTINGENCIES

There has been no other material change in the group's contingent liabilities since period-end. Refer to note 20 in the consolidated annual financial statements.

BORROWINGS

During the period the group repaid borrowings of R1 881 million (2023: R1 245 million) and raised borrowings of R3 496 million (2023: R1 502 million).

DISPOSALS AND ACQUISITIONS

During the period the group disposed of its investment in the Mutlu Group in Türkiye ("Mutlu"). The group also successfully acquired AutoZone Holdings Proprietary Limited ("AutoZone"). Refer to notes 28 and 29 respectively in the consolidated annual financial statements.

POST-BALANCE SHEET EVENTS

The key focus of the group is to correct the capital structure including the debt profile (including Hesto). In this regard, together with the support of funders, the group completed the debt restructure and refinance programme. Further information can be found in note 30 in the consolidated annual financial statements. Due to the debt refinancing and associated remedial actions, the covenant breaches existing at 31 December 2024 have been resolved.

During February 2025, the group raised an additional ZAR equivalent of $10 million (R185 million) via the existing short-term bridge facility provided by Standard Bank. The short-term loan allowed for a $10 million part repayment to Yazaki Corporation ("Yazaki"), the other shareholder in Hesto, in respect of extended trade credit facilities provided to Hesto by Yazaki and guaranteed by Metair.

Subsequent to year end, due to clarifications of shareholder rights as entrenched in the Hesto Shareholders agreement which also facilitated the Hesto restructured finance arrangement, Hesto will be consolidated as a subsidiary in future financial statements effective for the financial year ending 2025. At the date of this report the accounting for the change in control was not finalised.

AUDITORS' REPORT

These summarised financial statements are only a summary of the consolidated annual financial statements for the year ended 31 December 2024 and have been extracted from audited information, but are not themselves audited. The annual financial statements were audited by Ernst & Young Inc., who expressed an unmodified opinion thereon. It can be obtained from the company on written request from Metair's company secretary, Ms Sanet Vermaak (sanet@metair.co.za), or are available on the company's website at https://www.metair.co.za/wp-content/uploads/2025/03/Metair-IAR-Abridged-2024.pdf. The directors take full responsibility for the preparation of the summarised consolidated results and that the financial information has been correctly extracted from the underlying annual financial statements. Any reference to future financial performance has not been reviewed or reported on by the auditors.

EBIT, EBITDA AND FREE CASH FLOW ('FCF') MEASURES

EBIT, EBITDA and FCF measures are considered to be *pro forma* financial information in terms of the Listings Requirements. Shareholders are advised to refer to Appendix 1 in the group's integrated annual report for further information.

DECLARATION OF ORDINARY DIVIDENDS

No dividend has been declared for the year.

ANNUAL GENERAL MEETING

The annual report, incorporating the consolidated annual financial statements and notice of annual general meeting ("AGM") will be mailed to shareholders on Friday, 28 March 2025. The AGM will be held at Metair's registered office, Oxford & Glenhove Building No. 2, Suite 7, Ground Floor, 114 Oxford Road, Houghton Estate, Johannesburg, Gauteng, 2198, Republic of South Africa, and remotely through an electronic interactive platform hosted by The Meeting Specialist (Pty) Ltd (TMS) on Wednesday, 7 May 2025 at 14:00, subject to any cancellation, postponement or adjournment in terms of section 63(2) of the Companies Act.

The record date for purposes of determining which shareholders are entitled to receive the notice of AGM is Friday, 14 March 2025. The record date for purposes of determining which shareholders must be registered as such in the company's securities register in order to attend and vote at the AGM is Friday, 25 April 2025. The last day to trade in order to be entitled to vote at the AGM will therefore be Tuesday, 22 April 2025.

INTEGRATED REPORT

The group's sustainability reporting included in the annual report for 2024 will be available on the company's website (www.metair.co.za).

The annual results presentation will be available on the company's website (www.metair.co.za).

Live webcast: A live webcast of the presentation will be available at 10:00 (SAST) on Wednesday, 26 March 2025 at https://www.corpcam.com/Metair26032025.

REGISTRARS

Computershare Investor Services (Pty) Limited

Rosebank Towers, 15 Biermann Avenue, Rosebank, 2196

SPONSOR

One Capital

INVESTOR RELATIONS

Aprio Group

Signed on behalf of the Board in Johannesburg on 25 March 2025

TN Mgoduso –
Chairperson

PS O'Flaherty –
Chief Executive Officer

The consolidated annual financial statements as well as these summarised financial statements were produced under the supervision of Mr A Jogia (CFO) CA(SA) B Com Accounting, PGDA.

EXECUTIVE DIRECTORS:

PS O'Flaherty (CEO); A Jogia (CFO)

INDEPENDENT NON-EXECUTIVE DIRECTORS:

TN Mgoduso (Chairperson); B Mawasha (Lead Independent); PH Giliam; N Medupe; NL Mkhondo; MH Muell (German); AK Sithebe; S Sithole (Zimbabwean) (Alternate director to NL Mkhondo)

COMPANY SECRETARY:

SM Vermaak

CORPORATE INFORMATION

Metair Investments Limited

JSE and A2X Share Code: MTA

ISIN: ZAE000090692

Registration Number: 1948/031013/06

LEI No: 378900C0933C7C909172

Business address and registered office

Metair Investments Limited

Oxford and Glenhove Building No. 2
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114 Oxford Road
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Johannesburg
Gauteng
2198

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Gauteng
2132

Group company secretary

Sanet Vermaak

Email: Sanet@metair.co.za

Telephone: +27 10 786 0800

Website www.metair.co.za

Sponsor

One Capital

Auditors

Ernst and Young Inc.

Share transfer secretaries

Computershare Investor Services Proprietary Limited

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Website: www.computershare.com

Further information on this report and its contents can be obtained from the group company secretary.

METAIR
INVESTMENTS LIMITED
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