

RESULTS PRESENTATION

For the Six Months
Ended 30 June 2025

RESET AND
SUSTAINABLE
GROWTH WITH
A FOCUS ON
AFRICA



AGENDA

METAIR
INVESTMENTS LIMITED
automotive | retail

1 CEO UPDATE & OPERATIONAL REVIEW

2 FINANCIAL REVIEW

3 OUTLOOK AND PROSPECTS

4 Q & A



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METAIR
INVESTMENTS LIMITED
automotive | retail

1 CEO UPDATE & OPERATIONAL REVIEW: PAUL O'FLAHERTY



1H 2025 – RESET IS DONE, GROWTH IS UNDERWAY

Operating environment

External trends

- Stable performance from Metair OEM customers, in line with Metair expectations
- Automotive battery demand strong in Romania
- US tariff turmoil creates uncertainty
- Continued strong vehicle imports from China and India
- Tough competition for aftermarket parts in South Africa

Internal impacts

- Improved performance across most subsidiaries
- Debt restructuring concluded
- Hesto consolidation reduces complexity
- AutoZone integration being bedded down

Highlights

Reshaping the portfolio

- Hesto fully consolidated from 1 April 2025
- Closures of: ATE manufacturing line, First Battery Industrial Division and Automould, East London plant
- Various shared services and indirect overheads cost cutting initiatives underway to bring further cost savings

Capital structure

- Sustainable debt structure and repayment terms agreed

Operational performance

- Improved volumes for OEM Segment
- Significant cost reductions across the portfolio
- Strong profitability turnaround at Hesto
- AutoZone H1 incurred an expected loss as it emerges from business rescue

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1H 2025 HIGHLIGHTS

Revenue R8 657 m ↑ 53%	EBITDA R716 m ↑ 40%
EBIT R450m ↑ 27%	EBIT Margin 5.2 % ↓ 1ppt
HEPS (Total) 65 cps H1'24: -3cps	HEPS (continuing operations) 71 cps H1'24: 77cps

Hesto consolidated with effect from 1 April 2025

Volume recovery, cost savings and efficiencies contribute to improved performance

All debt covenants met

Unless otherwise stated results presented are on a continuing basis, pre capital items, and include three months of consolidated results for Hesto and six months for AutoZone. Comparative information has been represented to reflect the classification of Mutlu as a discontinued operation and the separate presentation of capital items

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STRATEGY UPDATE

Organisational enhancements

- July 2025 – appointment of new CFO
- New verticals in place:
 - › OEM (OEM Direct Component Manufacturing)
 - › AFM (Aftermarket Parts and Retail)

Diversification strategy

- AutoZone to grow aftermarket sales channel
- Strategy to diversify into new markets and regions
 - › Expand customer base and partners
 - › African opportunities and expansion

OEM focus:

- Manufacturing excellence
- Concentrate on areas within control
 - › operational execution
 - › customer support
- Restructure and right-size operations
- Dynamically adapt to market and volume shifts
- Flexible and agile operating models

Aftermarket Parts and Retail focus:

- Integrate and identify synergies with AutoZone
- Reposition ATE as purely aftermarket
- Capitalise on ABM as a footprint into Africa
- Expand partner aftermarket offerings

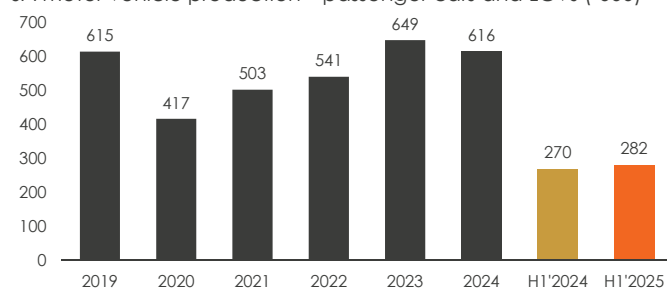
Leading Sustainable African Mobility Player

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VEHICLE VOLUMES

SOUTH AFRICA

SA motor vehicle production – passenger cars and LCVs ('000)



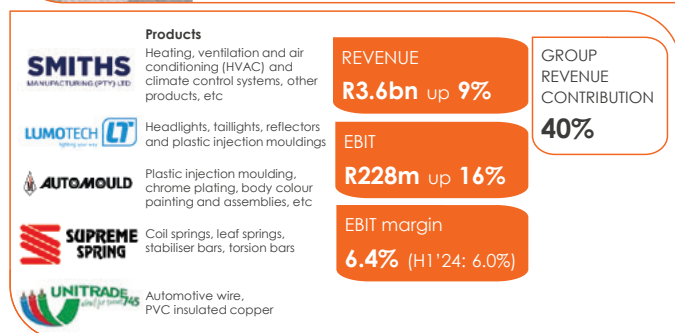
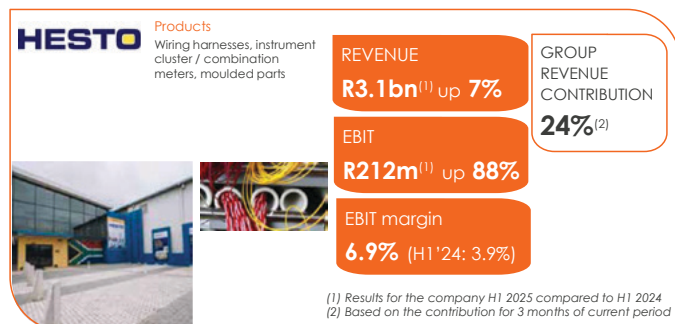
OEM volumes	2022 FY	2023 FY	2024 FY	H1'2024 YTD	H1'2025 YTD	PY var (units)
Toyota	115 327	175 311	125 938	54 115	64 011	9 896 ▲
Ford	92 166	130 963	129 859	66 293	61 559	(4 734) ▼
VW	134 864	140 324	173 548	52 244	70 230	17 986 ▲
MBSA	87 023	88 056	85 488	38 338	34 620	(3 718) ▼
BMW	61 823	64 233	58 085	35 431	32 251	(3 180) ▼
Nissan	24 800	22 207	16 866	10 770	6 620	(4 180) ▼
Isuzu	21 884	25 348	23 936	12 158	12 254	196 ▲
Other	2 681	2 789	2 269	1 316	1 103	(213) ▼
	540 568	649 231	615 989	270 665	282 748	12 083 ▲

- US accounts for 6.5% of SA vehicle exports
- Primarily Mercedes impacted
- Metair OEM customers do not export to US
- Chinese and Indian brands account for over two thirds of domestic vehicle imports into South Africa

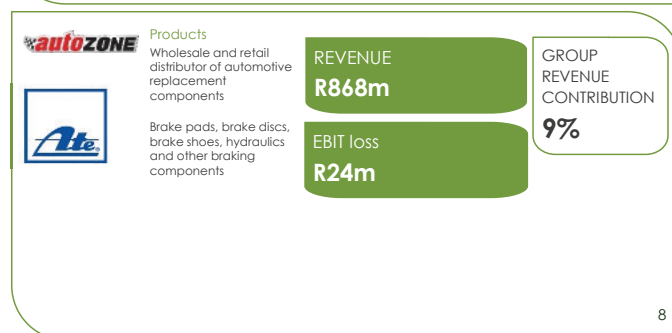
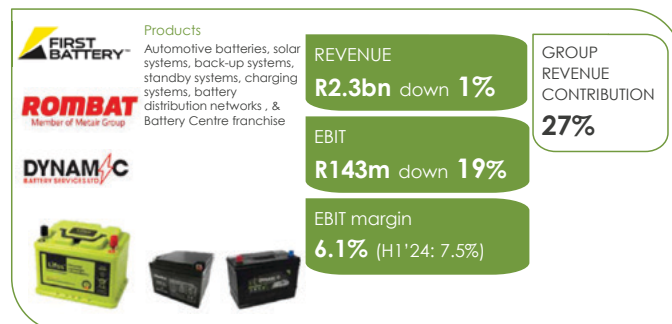
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OPERATIONAL PERFORMANCE

AUTOMOTIVE COMPONENTS MANUFACTURING



AFTERMARKET PARTS AND RETAIL



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2 FINANCIAL REVIEW: ALASTAIR WALKER

1H 2025 RESULTS SUMMARY

REVENUE⁽¹⁾ increased 53% to R8.7bn (H1'24: R5.7bn)	EBITDA⁽¹⁾⁽³⁾ increased 40% to R716m (H1'24: R513m)	EBIT⁽¹⁾⁽²⁾ increased 27% to R450m (H1'24: R354m)	GROUP NET DEBT increased to R5.1bn⁽⁴⁾ (Dec'24: R2.7bn)
Total HEPS Increased by 68 cents to 65 cps (H1'24: -3cps)	HEPS⁽¹⁾ From continuing operations decreased by 6 cents to 71cps (H1'24: 77cps)	Total EPS decreased by 90 cents to -93 cps (H1'24: -3 cps)	ROIC reduced to 5.2% From 7.1% (Dec'2024)

(1) Figures reported on a continuing basis

(2) EBIT is calculated as earnings before interest and taxes and excludes capital items

(3) EBITDA is calculated as earnings before interest, taxes, depreciation and amortisation, and excludes capital items

(4) Includes Hesto net debt

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GROUP RESULTS

Turnover increases from R5.7bn to R8.7bn and EBITDA increases from R513m to R716m

Income statement	H1'2025 Continuing operations as reported	H1'2024 Continuing operations as reported (represented)	FY2024 Continuing operations as reported
R'million			
Revenue	8 657	5 672	11 819
EBITDA	716	513	812
EBIT	450	354	504
EBIT margin	5.2%	6.2%	4.3%
Capital items	(307)	-	99
Operating profit	143	354	603
Net interest	(227)	(120)	(222)
(Loss)/ Profit for the period from continuing operations	(137)	158	282
Attributable (loss)/ profit from continuing operations	(168)	150	272
Headline earnings	139	149	172
HEPS from continuing operations (cps)	71	77	89
HEPS – Group (cps)	65	(3)	(203)

Balance sheet	H1'2025 Group reported ⁽¹⁾	H1'2024 Group reported ⁽²⁾	FY2024 Group reported ⁽³⁾
R'million			
Non-current assets	5 003	6 358	4 112
Current assets	7 673	7 486	5 567
Total assets	12 677	13 844	9 679
Total equity	2 549	5 810	2 797
Non-current liabilities	5 975	1 764	644
Current liabilities	4 152	6 270	6 238
Total liabilities	10 127	8 034	6 882
Total equity and liabilities	12 677	13 844	9 679
Net cash	143	626	808
Gross borrowings	5 194	4 047	3 536
Net debt ⁽⁴⁾	5 051	3 421	2 706
Net working capital	3 830	3 734	1 955
Net asset value per share (cps)	1 301	2 923	1 388

(1) Includes Hesto

(2) Includes Mutlu and excludes Hesto

(3) Excludes Mutlu and Hesto

(4) Excludes financial guarantee

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SEGMENTAL SUMMARY ANALYSIS

	OEM SEGMENT			AFM SEGMENT			Group		
R'million	H1'2025	H1'2024	Var.	H1'2025	H1'2024	Var.	H1'2025	H1'2024	Var.
Reported revenue	5 491	3 287	67%	3 166	2 385	33%	8 657	5 672	53%
EBITDA	535	285	88%	235	242	(3%)	716	513	40%
EBIT	387	197	96%	118	174	(32%)	450	354	27%
EBIT %	7.0%	6.0%	1.Ppt	3.7%	7.3%	(3.6ppt)	5.2%	6.2%	(1ppt)
ROIC	17.5%	15.4%	2.1ppt	6.2%	14.4%	(8.2ppt)	5.2%	11.9%	(6.7ppt)

OEM segment

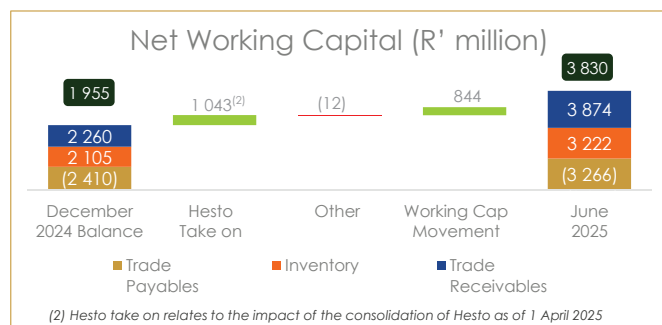
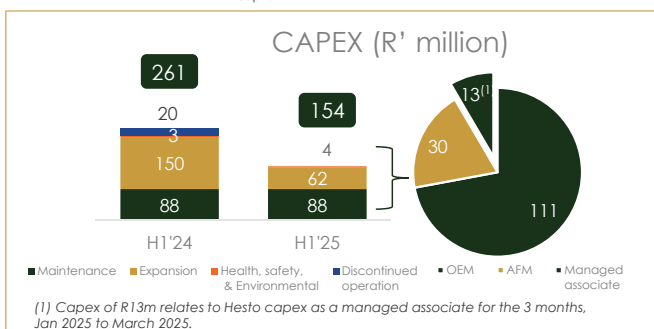
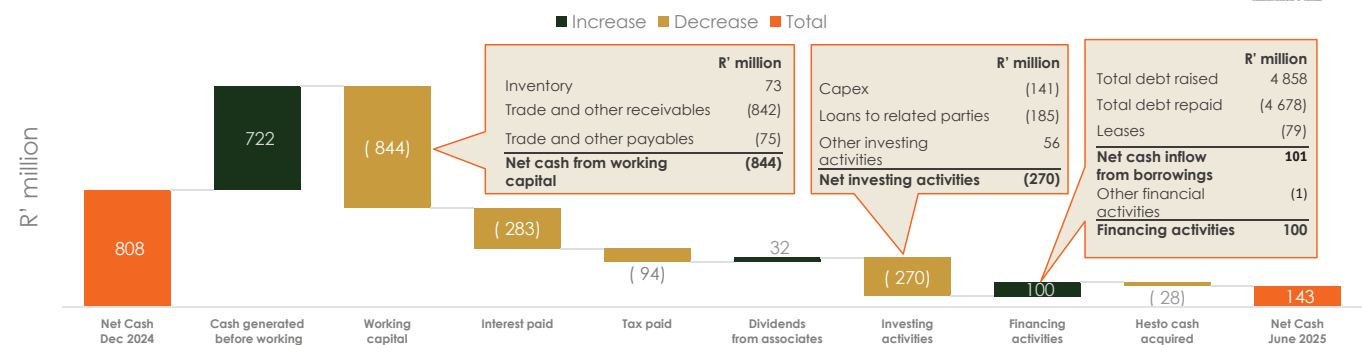
- SA OEM volumes up by 4% to 282k units
- EBIT pre capital items increased to R387m
- Hesto consolidated from 1 April 2025
- Including Hesto for 6 months in both comparative periods :
 - Revenue R6 661m (+8% on H1 2024)
 - EBIT pre capital items R440m (H1 2024: R309m)
- EBIT margin for Hesto for the 6 months 6.9% (H1 2024: 3.9%)
- EBIT margin for the other entities 6.4% (H1 2024: 6.0%)
- ROIC increased to 17.5% (H1 2024: 15.4%) supported by performance of Hesto

AFM segment

- Battery volumes from 2.1 million to 2.2 million units , supported by Rombat volumes up 6%
- FB's EBIT decreased to R93m at 8.6% margin(H1 2024: R152m at 14.0% margin) due to competitive market conditions
- Rombat volumes increased to 1.4 million units – EBIT of R53m at 4.3% margin (H1 2024: R19m at 1.7%)
- Overall EBIT decreased 32% to R118m at 3.7% margin from R174m
- AutoZone & ATE EBIT per capital items loss of R24m in line with business recovery plan
- ROIC decreased to 6.2% impacted by AutoZone losses for H1 2025

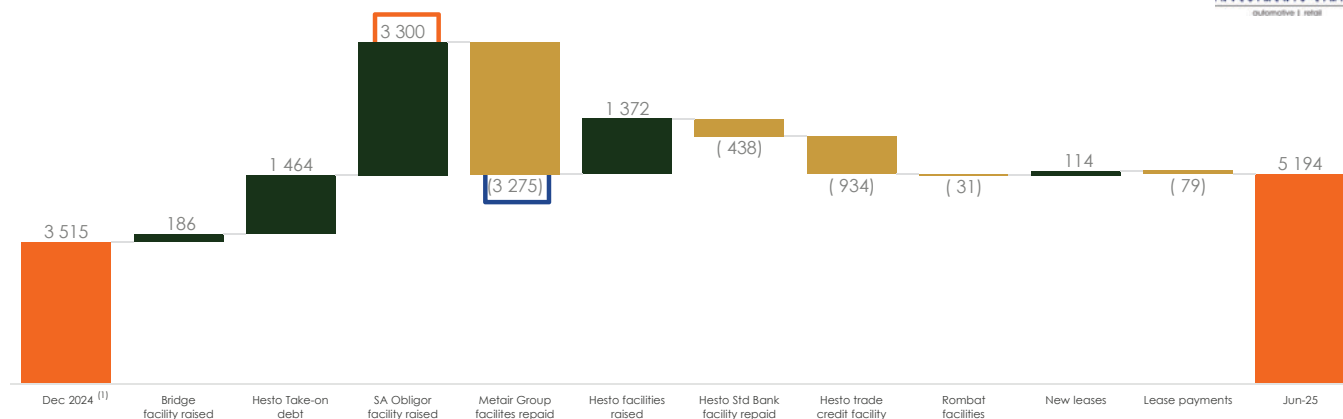
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CASH FLOW BRIDGE



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CAPITAL STRUCTURE



(1) Excludes financial guarantees

■ Increase ■ Decrease ■ Total

SA Obligor facility raised	
SA Obligor Term A Loan raised	850
SA Obligor Term B Loan raised	850
SA Obligor Facility C raised	1 600
Total SA Obligor facilities raised	3 300

SA Obligor facility repaid	
Pref share facility repaid	(840)
Metair Term A facility repaid	(750)
Metair RCF Facility repaid	(525)
Bridge facility repaid	(870)
AutoZone acquisition facility repaid	(290)
Total Metair Group facilities repaid	(3 275)

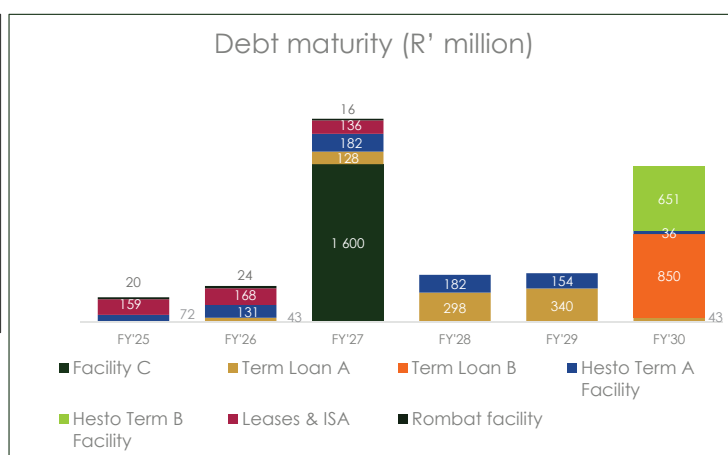
Total facilities raised and repaid	
Hesto bridge facilities raised	186
SA Obligor facilities raised	3 300
Hesto facilities raised	1 372
Total facilities raised	4 858
Metair group facilities repaid	(3 275)
Hesto Std Bank facility repaid	(438)
Hesto trade credit facility repaid	(934)
Rombat facilities repaid	(31)
Total facilities repaid	(4 678)

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CAPITAL STRUCTURE (CONTINUED)

More sustainable debt structure and terms

- Capital restructuring plan approved 10 March 2025
- Repayment profile matches expected earnings growth and cash flows over five years
- Focused strategies to enhance cash generation
- All SA Obligor debt covenants met
- Hesto refinance on 30 June with covenants being first measured in September 2025
- New leases comprise R114m new IFRS 16 leases



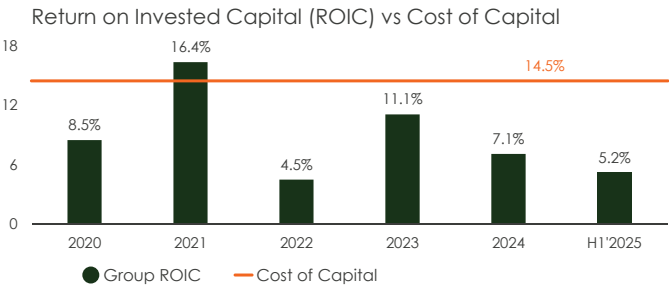
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DISCIPLINED CAPITAL ALLOCATION

Optimising return on capital

Metair financial return criteria:

- Return on invested capital (ROIC)
- Return on assets
- Internal rate of return
- Cash generation



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OUTLOOK

Progress to stabilise and reset our businesses on a growth path

- **Good progress made in turnaround strategy**
 - › Continuation of initiatives commenced in 2024 to restructure, right-size operations, stringent focus on efficient project management to ensure a more agile, dynamic business particularly in light of a new vehicle introduction at a major customer in FY2026 and as announced another of our key customers is currently optimizing their manufacturing operations to market demand conditions
 - › Restructured debt package provided Group with sustainable platform
- **Focus on areas within Group's control**
 - › Building on foundations of continuous operational improvement
 - › Implement and drive shared services
 - › Efficient project management established over the past 18 months.
 - › Enhance margins and improve returns on invested capital.
 - › Continue with efforts to create a more flexible and agile operating model
 - › Continue with alternative steel supplier negotiation as a results of AMSA close
- **Stabilise and turn around AutoZone**
 - › Return to profitability
 - › Open new aftermarket sales channels
 - › Diversify dependence on local OEMs
- **Assess opportunities and expand partnerships**
 - › Broaden customer base and product set
 - › Sub-Saharan Africa's mobility sectors offer significant potential

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DISCLAIMER

This report contains forward-looking statements that relate to Metair's future operations and performance. Such statements are not intended to be interpreted as guarantees of future performance, achievements, financial or other results.

The statements rely on assumptions and future circumstances, some of which are beyond management's control, and the outcomes implied by these statements could potentially be materially different from future results. No assurance can be given that forward-looking statements will prove to be accurate; thus, undue reliance should not be placed on such statements.

Metair does not undertake any obligation to update publicly or release any revisions to these forward-looking statements to reflect events or circumstances after the date of publication of this report or to reflect the occurrence of unanticipated events.



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4 Q & A

APPENDIX

HESTO TAKE ON BALANCES – 1 APRIL 2025

BALANCE SHEET	1 April 2025 R' million	INCOME STATEMENT	Apr to Jun 2025 R' million	H1'2025 R' million	H1'2024 R' million
PPE & intangibles	1 131				
Deferred tax assets	350				
Total non-current assets	1 481	Revenue	2 044	3 087	2 875
Trade and other receivables	777				
Inventory	1 181	EBITDA	214	310	208
Cash and cash equivalents	32				
Total current assets	1 990	EBIT	159	212	112
TOTAL ASSETS	3 471				
		Net interest	(57)	(108)	(104)
Total equity	(578)	PAT	75	76	6
Borrowings	1 002				
Shareholders loans	1 544				
Other non current liabilities	64				
Total non-current liabilities	2 610	TOTAL BORROWINGS			1 April 2025 R' million
Trade and other payables	915	Other borrowings			93
Borrowings	462	Bank borrowings			437
Other current liabilities	2	Minority ringfenced trade credit			934
Bank overdraft	60	Total borrowings			1 464
Total current liabilities	1 439	Comprising			
Total liabilities	4 049	Long term			1 002
TOTAL EQUITY AND LIABILITIES	3 471	Short term			462
		Total borrowings			1 464
Net working capital	1 043				
Total borrowings	1 464				

CONDENSED UNAUDITED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the Six Months
Ended 30 June 2025

RESET AND
SUSTAINABLE
GROWTH WITH
A FOCUS ON
AFRICA

SALIENT FEATURES

Revenue increased
by 53% to
R8 657m*

Stable OEM customer
volumes benefit Metair

Headline earnings
per share of
65 cents
(H1 2024: loss of 3 cents)

Operating profit
before capital items
increased by 27% to
R450m*

**Improved operating
performance**
across most subsidiaries

- Hesto consolidation reduces complexity and improves visibility
- AutoZone's bedding down and integration continues
- New debt package provides a more sustainable capital structure with better-aligned repayment terms

* Includes three months of consolidated results for Hesto and six months for AutoZone. Comparative information has been represented to reflect the classification of Mutlu as a discontinued operation and the separate presentation of capital items.

Shareholders are hereby advised that the company has relocated to new offices and that the new registered and business address of the company is as follows:

111 Mimetes Road, Denver, Johannesburg, 2011, South Africa

The company's postal address and contact number remain unchanged.

CONDENSED UNAUDITED CONSOLIDATED INTERIM COMMENTARY

INTRODUCTION

While there have been early signs of a recovery in South African consumer confidence, largely due to the reduction in interest rates, the easing of inflationary pressures, and improved household credit extension, the persistent uncertainty in both local and global markets continues to weigh on business confidence.

Despite the subdued market environment, it is encouraging that volumes at key Original Equipment Manufacturers ("OEM"), have improved and remain generally in line with forecasts for the six month period ended 30 June 2025.

Total local market vehicle production increased by c. 4% year-on-year, from c. 270 000 vehicles in the prior period, to c. 282 000 vehicles in H1 2025. Naamsa reported in August 2025 that notwithstanding the effects of the United States of America's ("US") 25% automotive tariffs imposed in April 2025, vehicle exports have displayed notable resilience, with year-to-date vehicle exports still 2.5% ahead of the same period in 2024. This is despite vehicle exports to the US declining by 82% in the first half of the year. The US has announced that it would raise a 30% tariff on goods from South Africa from August 2025.

Metair does not expect the tariff turmoil to have a direct impact on its OEM customers, as these customers do not supply into the US market. However, the tariffs are expected to affect the broader South African economy, the extent of which will only be evident over time.

The Group has continued to concentrate on areas within its control, notably operational execution and ongoing customer support. Measures were effectively implemented to restructure, right size, and close certain operations, allowing the Group to adapt dynamically to market shifts and volume fluctuations. Manufacturing and production processes were further optimised, and the stringent focus on efficient project management and operational improvements has created a more flexible and agile operating model, ensuring that the business can serve its customers effectively. Metair is pleased with the progress in the past six months, where there has been a marked improvement in margins on the back of the restructuring and optimisation efforts across the Group.

The focus for the current period has been on manufacturing excellence in supplying to OEM customers and bedding down the newly acquired AutoZone Holdings Proprietary Limited ("AutoZone") business to facilitate the planned growth in the aftermarket segment. Integration processes and the identification of synergistic opportunities at AutoZone are progressing satisfactorily.

Continued improvement initiatives have also resulted in higher revenue and improved operating profit at Hesto Harnesses Proprietary Limited ("Hesto"), the Group's major wiring harness supplier.

One of the key challenges that Metair faced in recent years was resolving its debt structure. The debt restructure was successfully implemented in this period, which allows for a repayment profile that matches expected earnings growth and cash flows over the repayment period.

In reviewing the Group's results for this period, the following should be noted:

- Following a strategic realignment at the end of 2024, including the sale of Mutlu Akü ("Mutlu") and the acquisition of AutoZone (acquired in December 2024), the Group has restructured its operations into two core segments:

- The OEM Direct Component Manufacturing segment ("OEM Segment"): supplying components directly to original equipment manufacturers; and
- The Aftermarket Parts and Retail segment ("AFM Segment"): primarily focusing on serving the independent aftermarket and retail distribution channels.

The Group's interim financial results have been presented under these two primary segments for the first time in this set of results.

- The comparability of the current period results has been influenced by the inclusion of Hesto as a subsidiary for three months with effect from 1 April 2025, and the first-time inclusion of AutoZone for the full six months reported.
- The accounting for Hesto as a subsidiary resulted in the recognition of a significant once-off net capital loss of R306 million, primarily arising from the recognition of previously unaccounted losses from Hesto as an associate, partially offset by a bargain purchase gain. This item has been included in the calculation of earnings per share but excluded from headline earnings per share.
- As was reported in the 2024 Integrated Annual Report, the Mutlu transaction in Türkiye was successfully finalised at the end of the previous financial year. A residual amount of R12 million is reflected as a loss from discontinued operations in the current period, being follow-on costs and agreement on a final account to conclude the sale. The previously presented results for the six months ended 30 June 2024 have been represented accordingly to allow for comparability.
- The Group utilises EBIT and EBITDA as its preferred measures of profitability.
 - EBIT is calculated as operating profit before interest and taxation but excluding the impact of capital items (impairment of non-financial assets, and profit/loss on disposals and acquisitions) and equity-accounted earnings.
 - EBITDA is calculated as profit before interest, taxation plus depreciation, amortisation, and excludes the impact of capital items (impairments, and profit/loss on disposals and acquisitions) and equity-accounted earnings.

OVERALL RESULTS

Total headline earnings per share (HEPS) (including discontinued operations) was 65 cents per share (H1 2024 loss: 3 cps), primarily due to losses at Mutlu in the prior period, whereas HEPS from continuing operations decreased by 8% to 71 cents per share (H1 2024: 77 cps).

Total basic earnings per share (EPS) (including discontinued operations) reflected a loss per share of 93 cents (H1 2024 loss: 3 cps), whereas EPS from continuing operations reflected a loss per share of 86 cents (H1 2024 profit: 77 cps).

Return on invested capital (ROIC) was reported at 5.2% (FY2024: 7.1%).

No dividend has been declared for the period (H1 2024: RNil).

CONDENSED UNAUDITED CONSOLIDATED INTERIM COMMENTARY continued

RESULTS FROM CONTINUING OPERATIONS

Pleasing volume recoveries at OEM customers, together with efficiency initiatives, supported an improved operating performance across most of the Group's subsidiaries, supplemented by cost savings at the corporate level. The inclusion of Hesto for three months was partially offset by losses from AutoZone for the period. These losses were expected, as AutoZone is in a recovery phase as it emerges from business rescue.

For the six months ended June 2025, the Group reported an increase of 53% in revenue to R8 657 million (H1 2024: R5 672 million). EBIT grew by 27% to R450 million (H1 2024: R354 million), at an EBIT margin of 5.2% (H1 2024: 6.2%). EBITDA increased by 40% to R716 million (H1 2024: R513 million).

As discussed in more detail below, the Group concluded a debt restructuring for the SA Obligor and the Hesto Obligor during this period, which has resulted in a more robust capital structure. The higher interest costs following the debt refinance, as well as the consolidation of Hesto, resulted in a notable increase in the interest charge to R283 million (H1 2024: R153 million).

The loss after tax from continuing operations amounted to R137 million (H1 2024 profit: R158 million), impacted primarily by the once-off net capital loss relating to the accounting for Hesto as a subsidiary, losses from AutoZone, and the increased interest expense.

The effective tax rate adjusting for the non-taxable capital items is 30%.

SEGMENTAL RESULTS

OEM DIRECT COMPONENT MANUFACTURING SEGMENT

(63% OF GROUP REVENUE)

Revenue from the OEM Segment (including Hesto) grew by 67% to R5 491 million (H1 2024: R3 287 million), mainly due to increased volumes supplied to key OEM customers, as well as Hesto's inclusion as a subsidiary and its strong performance. EBIT increased by 96% to R387 million (H1 2024: R197 million). EBIT margins increased to 7.0% from 6.0% in the prior period, supported by cost reduction and operational improvement initiatives implemented during the previous financial year, and continuing this year.

If Hesto had been included for the full six months in both comparative periods, OEM revenue would have increased by 8% to R6 661 million (H1 2024: R6 164 million), and EBIT margins to 6.6% (H1 2024: 5%).

Hesto continued its pleasing performance, benefiting from successful price negotiations with OEM customers and disciplined cost management. Management remained focused on production efficiencies as well as preparations for new auto customer facelifts and model introductions in the coming year.

Automould, Smiths Manufacturing, Supreme and Unitrade all reported pleasing growth in profitability, supported by increased OEM volumes and stronger operational performance.

Lumotech reported lower-than-budgeted volumes and an unfavourable product mix; however, it proceeded to generate an improved EBIT margin, supported by manufacturing efficiencies and cost savings.

Hesto EBIT margins were at 7.8% for the period since consolidation, and at 6.9% for the full six months (H1 2024: 3.9%).

EBIT margins for the other businesses in the segment were 6.4% (H1 2024: 6.0%).

AFTERMARKET PARTS AND RETAIL SEGMENT

(37% OF GROUP REVENUE)

Revenue from the AFM Segment grew by 33% to R3 166 million (H1 2024: R2 385 million), mainly due to the inclusion of AutoZone. EBIT decreased by 32% to R118 million, compared to R174 million in H1 2024. EBIT margins declined to 3.7% from 7.2% in the prior period, reflecting AutoZone's EBIT loss and the normalisation of First Battery's margins to approximately 8%, compared to the once-off higher margin of 14% in H1 2024. This was partially offset by an improvement in Rombat S.A. ("Rombat") volume-driven performance, with margins increasing to 4.3% (H1 2024: 1.7%). Excluding AutoZone, EBIT margins for this segment were 6.1%, aligning with internal forecasts.

First Battery South Africa sold c. 770 000 batteries in H1 2025, relative to the 786 000 batteries sold in the prior period. Profitability was impacted by an unfavourable product mix to the OEM customers, partially offset by strong growth in the African export region.

At **Rombat** in Romania, volumes sold improved by 6% to 1.426 million batteries (H1 2024: 1.345 million), supported by an improvement in both the local aftermarket and OEM sales and strong growth in profitability.

The EBIT loss generated at **AutoZone** in H1 2025 of R24 million was expected and inevitable as it emerges from the business rescue process and re-establishes its supply chain and customer base. Encouragingly, the integration process is progressing smoothly, and AutoZone is already delivering synergies across Metair's automotive aftermarket and distribution operations. The acquisition provides a strategic step-change in Metair's presence and positioning in the aftermarket sector and a robust platform for future growth. AutoZone is expected to start contributing meaningfully to Group earnings during 2026.

A decision was taken towards the end of FY24 to transition **ATE** from a manufacturing to an import-based business model, which resulted in ATE being integrated into AutoZone, with reduced costs and other benefits already evident.

FINANCIAL POSITION

Group net debt (bank borrowings less cash and cash equivalents) increased to R5.1 billion (FY2024: R2.7 billion, excluding Hesto). The increase in net debt is driven primarily by the consolidation of Hesto's net debt of R1.5 billion at 1 April 2025, as well as a reduction in cash, which reduced to R143 million from R808 million in FY2024.

Cash utilised by operations (before interest and taxes paid) was R122 million, compared with R161 million generated in the prior period, mainly driven by a R844 million increase in working capital.

Working capital increased in H1 2025 compared to December 2024, mainly due to the consolidation of Hesto (effective 1 April 2025). The increase was further driven by higher receivables, reflecting stronger revenue during the period and the return to normalised payment terms.

Group net asset value per share declined to 1 301 cents (FY2024: 1 388 cents), primarily due to the recognition of historical losses at Hesto following its consolidation.

LIQUIDITY AND DEBT

During the 2025 financial year, the Group completed its debt restructure and refinance programme, aimed at optimising the capital structure and providing Metair with a more sustainable debt structure with appropriately aligned repayment terms. A 3.3 billion package for the SA Obligor (excluding Hesto) was concluded in April 2025. The Hesto Obligor R1.4 billion refinance was concluded in June 2025 (refer to note 4).

Metair is pleased to report that all the covenants of the SA Obligor (including minimum EBITDA requirements) were met during the current period. Management continues to monitor debt levels and liquidity closely, and the Group is implementing a range of strategies to support de-gearing and enhance earnings and cash generation.

The SA Obligor has implemented a cash sweep programme, which has yielded positive results and increased control of Group cash. In addition, various capital conservation measures, including delaying non-critical capital expenditures and engaging customers for flexible support on capital investments for new models, are being utilised to support the Group's cash position.

CAPITAL EXPENDITURE (INCLUDING HESTO)

The group invested R154 million (H1 2024: R261 million), of which R88 million was spent on maintenance, R62 million on expansion and R4 million on health and safety. The group is gearing up for a major customer's new launch during the first part of 2026 and there is increased focus on project management and capital allocation.

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

The Commission's investigation into alleged anti-competitive conduct among European automotive battery manufacturers, including Rombat, continues. Metair and its Dutch subsidiary, Metair International Holding Cooperatief UA, are also parties to the SO, based on the assumption that they have exercised decisive influence over Rombat since 14 March 2012.

To clarify, the SO does not represent a definitive decision by the Commission, and Rombat and Metair are still awaiting the outcome following their written and oral submissions. Currently, no ruling or final decision has been issued by the Commission, and it is not possible to reliably estimate any potential fine. Given the uncertainty regarding the amount and timing of any possible fine, the matter remains classified as a contingent liability.

OUTLOOK AND PROSPECTS

Metair is encouraged by the progress made during the period in respect of the Group's turnaround strategy. The Group is concentrating on areas within its control, building on the foundations of continuous operational improvement and efficient project management established over the past 18 months. This will further enhance margins and improve returns on invested capital. The improvement in Hesto's performance is now well-entrenched, and the initiatives to stabilise AutoZone are bearing fruit. The restructured debt package has provided the Group with a sustainable platform from which to reduce debt further.

ArcelorMittal South Africa announced at the end of August that they will be closing their long steel business at the end of September 2025. Despite commitments made to produce the steel orders that we required for the remainder of the year, this did not happen. Metair is working closely with our customers on the alternative steel supplier that we have been engaging with for some time to ensure our supply commitments are met.

There is a renewed focus on growth through expanding Metair's product offerings and entering new sales channels. The AutoZone acquisition will be a key strategic driver in terms of diversifying the dependence on local OEMs and opening new aftermarket sales channels. Metair is also assessing opportunities to expand partnerships with existing and new business partners to broaden the customer base and product set. The Sub-Saharan Africa's mobility sectors offer significant potential, and the Group is exploring how best to maximise these opportunities.

Metair continues to track its growth and reset journey, and with increased volumes supplied to key OEM customers largely performing in line with expectations for FY2025, Hesto's inclusion for nine months, and further progress in stabilising AutoZone, the Group remains cautiously optimistic in the outlook for FY2025.

FY2026 will be a challenging year as one of our major customers is introducing a new vehicle and another key customer is optimising its manufacturing operations to market demand conditions and continues to work closely with all affected parties as the changes become clearer over time. As a result, we will continue with the significant efforts we have made over the last 18 months in improving project management capabilities and flexing our production and costs to remain agile in a challenging market.

Signed on behalf of the Board in Johannesburg on
9 September 2025.

TN Mgoduso –
Chairperson

PS O'Flaherty –
Chief Executive Officer

The condensed unaudited consolidated interim financial statements were prepared under the supervision of Mr AJ Walker CA(SA), CFO.

CONDENSED CONSOLIDATED INCOME STATEMENT	Six months ended		Year ended
	30 June 2025 R'000	30 June 2024 R'000	31 December 2024 R'000
	<i>Represented*</i>		
	Unaudited	Unaudited	Audited
Revenue	8 656 586	5 671 582	11 819 213
Cost of sales	(7 318 358)	(4 887 699)	(10 367 594)
Gross profit	1 338 228	783 883	1 451 619
Other operating income and dividend income	91 508	105 658	301 552
Distribution, administrative and other operating expenses	(979 707)	(535 523)	(1 248 870)
Operating profit before capital items	450 029	354 018	504 301
Capital items*	(307 308)	439	98 504
Operating profit	142 721	354 457	602 805
Share of results of associates	19 610	8 551	31 743
Interest income	56 451	32 856	122 855
Interest expense	(283 062)	(152 751)	(344 731)
(Loss)/profit before taxation	(64 280)	243 113	412 672
Taxation	(72 889)	(85 021)	(130 794)
(Loss)/profit from continuing operations for the period	(137 169)	158 092	281 878
Discontinued operations	(12 480)	(154 840)	(4 436 354)
(Loss)/profit for the period	(149 649)	3 252	(4 154 476)
Attributable to equity holders:			
Continuing operations	(168 117)	149 574	271 922
Discontinued operations	(12 480)	(154 840)	(4 436 354)
	(180 597)	(5 266)	(4 164 432)
Attributable to non-controlling interest holders:			
Continuing operations	30 948	8 518	9 956
	30 948	8 518	9 956
	(149 649)	3 252	(4 154 476)

* Comparative information has been represented to reflect the classification of Mutlu as a discontinued operation and the separate presentation of capital items.

		Six months ended		Year ended
		30 June 2025 R'000	30 June 2024 R'000	31 December 2024 R'000
CONDENSED CONSOLIDATED INCOME STATEMENT continued	NOTES	Unaudited	<i>Represented*</i> Unaudited	Audited
Capital items consist of:				
Impairments		(6 988)		(80 766)
Profit/(loss) on sale of property, plant, and equipment		5 295	439	(15 689)
(Loss) on consolidation of subsidiary	3	(334 218)		
Gain on bargain purchase of subsidiary	3	28 603		194 959
		(307 308)	439	98 504
Included in operating expenses above are:				
Depreciation and amortisation		265 589	158 774	308 024
Rentals on short-term and low value assets		34 831	25 803	51 245
Impairment loss/(reversal) on financial assets		4 754	519	(18 137)
Stock losses and write downs to net realisable value		17 281	15 517	51 618
Disaggregation of revenue from contracts with customers				
Primary geographical markets				
South Africa		7 409 848	4 421 802	9 315 364
UK		31 221	68 434	106 027
Romania		1 215 517	1 181 346	2 397 822
		8 656 586	5 671 582	11 819 213
Major product and service lines				
Automotive batteries		2 143 333	2 134 498	4 291 462
Automotive components, parts, and tooling		6 344 443	3 340 377	7 191 452
Industrial and non-automotive products		168 810	196 707	336 299
		8 656 586	5 671 582	11 819 213

* Comparative information has been represented to reflect the classification of Mutlu as a discontinued operation and the separate presentation of capital items.

CONDENSED CONSOLIDATED INCOME STATEMENT continued	NOTES	Six months ended		Year ended
		30 June 2025 R'000	30 June 2024 R'000	31 December 2024 R'000
		Unaudited	Represented* Unaudited	Audited
Timing of revenue recognition				
Products transferred at a point in time		5 478 440	2 669 306	6 120 310
Products and services transferred over time		3 178 146	3 002 276	5 698 903
		8 656 586	5 671 582	11 819 213
Earnings per share				
Basic (loss) per share (cents)		(93)	(3)	(2 146)
Headline earnings/(loss) per share (cents)		65	(3)	(203)
Earnings per share from continuing operations				
Basic (loss)/earnings per share (cents)		(86)	77	140
Headline earnings per share (cents)		71	77	89
Diluted earnings per share				
Diluted (loss) per share (cents)		(91)	(3)	(2 117)
Diluted headline earnings/(loss) per share (cents)		64	(3)	(201)
Diluted earnings per share from continuing operations				
Diluted (loss)/earnings per share (cents)		(85)	77	138
Diluted headline earnings per share (cents)		70	76	88
Number of shares in issue ('000)		198 986	198 986	198 986
Number of shares in issue excluding treasury shares ('000)		194 473	194 157	194 157
Weighted average number of shares in issue ('000)		194 433	194 125	194 094
Adjustment for dilutive shares ('000)		3 282	1 248	2 617
Number of shares used for diluted earnings calculation ('000)		197 715	195 373	196 711
Calculation of headline earnings				
Net (loss) attributable to ordinary shareholders		(180 597)	(5 266)	(4 164 432)
(Profit)/loss on disposal of property, plant and equipment – net		(5 466)	(290)	14 666
Impairment of property, plant and equipment		6 597		36 874
Impairment of goodwill				52 570
Gain on bargain purchase	3	(28 603)		(194 959)
Loss on consolidation of Hesto	3	334 218		
Loss on disposal of investments				3 860 829
Headline earnings/(loss)		126 149	(5 556)	(394 452)
Calculation of headline earnings from continuing operations				
Net (loss)/profit attributable to ordinary shareholders		(168 117)	149 574	271 922
(Profit)/loss on disposal of property, plant and equipment – net		(5 466)	(290)	14 666
Impairment of property, plant and equipment		6 597		28 196
Impairment of Goodwill				52 570
Gain on bargain purchase and Impairment of associate and investment		(28 603)		(194 959)
Loss on consolidation of Hesto		334 218		
Headline earnings from continuing operations		138 629	149 284	172 395

* Comparative information has been represented to reflect the classification of Mutlu as a discontinued operation and the separate presentation of capital items.

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME	Six months ended		Year ended
	30 June 2025 R'000	30 June 2024 R'000	31 December 2024 R'000
	<i>Represented*</i>		
	Unaudited	Unaudited	Audited
(Loss)/profit for the period	(149 649)	3 252	(4 154 476)
Other comprehensive income:			
– Actuarial losses recognised – net			(17 097)
– Foreign exchange translation movements including the effect of hyperinflation	8 073	264 776	518 882
– Foreign currency translation reserve recycle			908 406
Net other comprehensive income	8 073	264 776	1 410 191
Total comprehensive (loss)/income for the period	(141 576)	268 028	(2 744 285)
Attributable to equity holders:			
Continuing operations	(159 974)	(16 493)	50 017
Discontinued operations	(12 480)	276 174	(2 804 133)
	(172 454)	259 681	(2 754 116)
Attributable to non-controlling interest holders:			
Continuing operations	30 878	8 347	9 831
	30 878	8 347	9 831
	(141 576)	268 028	(2 744 285)

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY	Six months ended		Year ended
	30 June 2025 R'000	30 June 2024 R'000	31 December 2024 R'000
	<i>Represented*</i>		
	Unaudited	Unaudited	Audited
Balance at beginning of the period	2 797 040	5 532 876	5 532 876
Net (loss)/profit for the period	(149 649)	3 252	(4 154 476)
Other comprehensive income for the period	8 073	264 776	1 410 191
Total comprehensive (loss)/income for the period	(141 576)	268 028	(2 744 285)
Employee share option scheme	6 311	11 979	17 615
Vesting of share-based payment obligation			
– Estimated taxation effects of utilisation of treasury shares	(795)	(302)	(302)
Dividend**			(34 079)
Foreign currency translation, including the effect of hyperinflation		(2 632)	(1 066)
Acquisition of subsidiary***	(105 180)		
Transactions with non-controlling interest holders	(6 357)		
Disposal of operation			26 281
Balance at end of the period	2 549 443	5 809 949	2 797 040

* Comparative information has been represented to reflect the classification of Mutlu as a discontinued operation and the separate presentation of capital items.

** No ordinary dividend was declared for the year ended 31 December 2024. No ordinary dividend is being declared for the six months ended 30 June 2025 (30 June 2024: Rnil). R34 million in December 2024 refers to Smiths Manufacturing (Pty) Ltd dividends paid to minority shareholders.

*** Relates to the consolidation of Hesto: (-R114 million) represents the recognition of non-controlling interests in Hesto (reflecting historic losses), and R9 million relates to the recognition of share-based payment reserve. Refer to note 3.

CONDENSED CONSOLIDATED BALANCE SHEET	NOTES	Six months ended		Year ended
		30 June 2025 R'000	30 June 2024 R'000	31 December 2024 R'000
		Unaudited	Unaudited	Audited
ASSETS				
Non-current assets		5 003 444	6 357 567	4 111 562
Property, plant and equipment		3 458 643	4 257 867	2 703 344
Intangible assets		561 557	1 277 035	28 217
Loan to associate			228 966	960 645
Investment in associates		308 305	330 316	325 884
Deferred taxation		674 939	263 383	93 472
Current assets		7 673 394	7 486 176	5 567 421
Inventory		3 222 575	3 348 294	2 105 469
Trade and other receivables		2 990 292	2 635 224	1 715 889
Contract assets		884 082	429 531	545 332
Taxation		15 059	23 984	9 294
Derivative financial assets		1 507	1 216	18 927
Cash and cash equivalents		559 879	1 047 927	1 172 510
Total assets		12 676 838	13 843 743	9 678 983
EQUITY AND LIABILITIES				
Capital and reserves				
Stated capital		1 497 931	1 497 931	1 497 931
Treasury shares		(94 272)	(100 164)	(100 164)
Reserves		449 275	(774 794)	419 332
Retained earnings		676 603	5 051 309	876 810
Ordinary shareholders' equity		2 529 537	5 674 282	2 693 909
Non-controlling interests		19 906	135 667	103 131
Total equity		2 549 443	5 809 949	2 797 040
Non-current liabilities		5 975 334	1 763 718	643 537
Borrowings	4	4 899 058	1 066 144	257 357
Post-employment benefits		45 242	64 910	43 022
Deferred taxation		446 566	448 476	167 649
Deferred grant income		185 247	127 823	135 405
Minority shareholders loan		346 765		
Provisions for liabilities and charges		52 456	56 365	40 104
Current liabilities		4 152 061	6 270 076	6 238 406
Trade and other payables		3 179 317	2 630 320	2 229 544
Contract liabilities		87 966	49 098	181 704
Borrowings	4	294 950	2 980 550	3 279 114
Taxation		33 180	55 760	41 937
Provisions for liabilities and charges		114 004	114 962	140 086
Derivative financial liabilities		25 915	17 204	1 870
Bank overdrafts		416 729	422 182	364 151
Total liabilities		10 127 395	8 033 794	6 881 943
Total equity and liabilities		12 676 838	13 843 743	9 678 983
Net asset value per share (cents)		1 301	2 923	1 388
Capital expenditure:		140 671	242 235	465 773
– Property, plant, and equipment		132 967	233 896	448 726
– Intangibles		7 704	8 339	17 047
Capital commitments:		511 022	535 494	512 968
– Contracted		256 252	119 799	169 216
– Authorised but not contracted		254 770	415 695	343 752

		Six months ended		Year ended
		30 June 2025 R'000 Unaudited	30 June 2024 R'000 Unaudited	31 December 2024 R'000 Audited
CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS		NOTES		
Operating activities				
Operating profit/(loss)*		130 241	134 135	(3 640 243)
Depreciation and amortisation		265 589	242 444	470 614
Net movement in provisions and derivatives		(26 008)	(5 760)	48 073
Loss on sale of subsidiary				3 860 829
Loss on consolidation of subsidiary	3	334 218		
Gain in bargain purchase of subsidiary	3	(28 603)		(194 959)
Other items***		45 960	45 131	134 798
Working capital changes		(843 528)	(255 049)	804 158
Cash (utilised)/generated from operations		(122 131)	160 901	1 483 270
Interest paid		(283 062)	(442 759)	(1 120 461)
Taxation paid		(93 689)	(99 760)	(191 557)
Dividends paid				(34 079)
Dividends received from associates		32 073	9 036	30 264
Net cash (outflow)/inflow from operating activities		(466 809)	(372 582)	167 437
Investing activities				
Interest received		28 532	46 675	87 133
Acquisition of property, plant and equipment (excludes leased assets)		(132 967)	(233 896)	(448 726)
Acquisition of intangible assets**		(7 704)	(8 339)	(17 047)
Net cash outflow on disposal of subsidiary				(102 002)
Acquisition of subsidiary net of cash acquired				(193 517)
Proceeds on disposal of property, plant and equipment**		32 189	7 690	20 023
Loan to related party		(185 347)		(685 079)
Net cash (outflow)/inflow from other investing activities		(4 900)	(1)	5
Net cash outflow utilised in investing activities		(270 197)	(187 871)	(1 339 210)
Financing activities				
Borrowings raised – net	4	179 923	754 039	1 615 059
Lease payments	4	(79 023)	(44 031)	(78 006)
Utilisation of treasury shares - CGT		(795)	(302)	(302)
Net cash inflow from financing activities		100 105	709 706	1 536 751
Net (decrease)/increase in cash and cash equivalents		(636 901)	149 253	364 978
Cash and cash equivalents at beginning of the period		808 359	566 615	566 615
Net cash outflow on acquisition of subsidiary		(27 794)		
Exchange loss and hyperinflation impact on cash and cash equivalents		(514)	(90 123)	(123 234)
Cash and cash equivalents at end of the period		143 150	625 745	808 359
* Reconciliation of operating profit:				
Operating profit from continuing operations		142 721	354 457	602 805
Operating loss from discontinued operations		(12 480)	(220 322)	(4 243 048)
Total		130 241	134 135	(3 640 243)

** Proceeds from the disposal of property, plant and equipment and acquisition of intangible assets, which were previously included within 'Net cash (outflow)/inflow from other investing activities,' are now presented separately.

*** Other comprises unrealised foreign exchange gains and losses as well as other non cash items.

30 June 2025
R'000
Unaudited

Six months ended

**CONDENSED CONSOLIDATED
SEGMENT REVIEW¹
CONTINUING OPERATIONS**

	GROUP	OEM Segment	AFM Segment	HEAD OFFICE AND CONSOLIDATION
REVENUE				
Local	8 468 424	6 294 630	2 173 794	
Export	1 389 865	366 574	1 023 291	
Total segmental revenue ²	9 858 289	6 661 204	3 197 085	
Managed associate	(1 042 277)	(1 042 277)		
Total revenue after adjusting for managed associate	8 816 012	5 618 927	3 197 085	
Intergroup sales	(159 426)	(128 224)	(31 202)	
REVENUE	8 656 586	5 490 703	3 165 883	
PROFIT BEFORE INTEREST AND TAX ("PBIT")				
Operating segments	562 324	444 208	118 116	
Restructuring costs	(3 809)	(3 875)	66	
Total segmental PBIT ²	558 515	440 333	118 182	
Managed associate	(53 489)	(53 489)		
Other reconciling items ³	(53 444)			(53 444)
Amortisation and depreciation arising from business combinations	(1 553)			(1 553)
PBIT before capital items	450 029	386 844	118 182	(54 997)
Capital Items	(307 308)	6 018	(7 711)	(305 615)
PBIT	142 721	392 862	110 471	(360 612)
<i>Capital items</i>	(307 308)	6 018	(7 711)	(305 615)
Impairments	(6 988)		(6 988)	
Profit/(loss) on sale of property, plant, and equipment	5 295	6 018	(723)	
Gain on bargain purchase	28 603			28 603
(Loss) on consolidation of subsidiary	(334 218)			(334 218)
<i>Other major costs included in profit before interest and tax:</i>				
Raw materials, consumables used and production overheads	5 977 991	4 101 362	2 279 697	(403 068)
Depreciation and amortisation	265 589	147 753	117 309	527

¹ Following a strategic realignment at the end of 2024 – including the disposal of Mutlu and the acquisition of Hesto – the Group has reorganised its operations to better reflect the way in which its activities are managed and monitored by the Chief Operating Decision Maker (CODM). As a result, the Group now reports its performance across two core operating segments:

- the OEM Direct Component Manufacturing segment ("OEM Segment"): supplies components directly to original equipment manufacturers; and
- the Aftermarket Parts and Retail segment ("AFM Segment"): primarily focuses on serving the independent aftermarket and retail distribution channels.

This revised segmentation reflects the Group's new internal reporting structure and the way in which the CODM assesses performance and allocates resources, in accordance with IFRS 8 Operating Segments. Comparative information has been restated to reflect the new segment structure on a consistent basis.

² 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.

³ Other reconciling items relate to Metair Head Office and corporate costs.

30 June 2024 R'000 Unaudited				31 December 2024 R'000 Audited			
Six months ended				Year ended			
GROUP	OEM Segment	AFM Segment	HEAD OFFICE AND CONSOLIDATION	GROUP	OEM Segment	AFM Segment	HEAD OFFICE AND CONSOLIDATION
	7 543 392	6 151 619	1 391 773	15 333 534	12 557 858	2 775 676	
	1 037 409	11 931	1 025 478	2 049 895	38 171	2 011 724	
	8 580 801	6 163 550	2 417 251	17 383 429	12 596 029	4 787 400	
	(2 875 238)	(2 875 238)		(5 504 343)	(5 504 343)		
	5 705 563	3 288 312	2 417 251	11 879 086	7 091 686	4 787 400	
	(33 981)	(1 657)	(32 324)	(59 873)	(11 085)	(48 788)	
	5 671 582	3 286 655	2 384 927	11 819 213	7 080 601	4 738 612	
	483 174	309 159	174 015	903 099	639 016	264 083	
				(40 819)	(3 543)	(37 276)	
	483 174	309 159	174 015	862 280	635 473	226 807	
	(112 443)	(112 443)		(257 271)	(257 271)		
	(15 141)		(15 141)	(97 636)			(97 636)
	(1 572)		(1 572)	(3 072)			(3 072)
	354 018	196 716	174 015	504 301	378 202	226 807	(100 708)
	439	(30)	469	98 504	175	(44 060)	142 389
	354 457	196 686	174 484	602 805	378 377	182 747	41 681
	439	(30)	469	98 504	175	(44 060)	142 389
				(80 766)		(28 196)	(52 570)
	439	(30)	469	(15 689)	175	(15 864)	
				194 959			194 959
	3 941 326	2 459 912	1 668 612	8 435 765	5 407 197	3 422 383	(393 815)
	158 774	88 222	68 394	308 024	170 400	133 391	4 233

NOTES TO THE CONDENSED UNAUDITED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

1. BASIS OF PREPARATION

The condensed unaudited consolidated interim results for the six months ended 30 June 2025 have been prepared in accordance with and containing the information required by IAS 34: Interim Financial Reporting, as well as the Financial Pronouncements as issued by the Financial Reporting Standards Council and the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee. The interim results do not include all the notes of the type normally included in an annual financial report prepared in accordance with IFRS accounting standards as issued by the International Accounting Standards Board. Accordingly, this report is to be read in conjunction with the consolidated annual financial statements for the year ended 31 December 2024, which have been prepared in accordance with IFRS and comply with the JSE Limited Listings Requirements, the requirements of the Companies Act, 71 of 2008 and any public announcements made by Metair during the interim reporting period.

2. ACCOUNTING POLICIES

The accounting policies applied are in terms of IFRS and are consistent with accounting policies used in the preparation of the 31 December 2024 consolidated annual financial statements. The interim results have not been reviewed or audited by the group's auditors.

3. CONSOLIDATION OF HESTO

Hesto Harnesses Proprietary Limited ("Hesto") is held 74.9% by Metair and 25.1% by our technical wire harness partner ("Technical Partner"). As at 31 December 2024, Hesto Harnesses Proprietary Limited ("Hesto") was equity accounted by Metair. The Shareholder's Agreement with the Technical Partner, stipulated that unanimous consent was required for all decisions relating to the relevant activities of Hesto. In addition, the Technical Partner had the ability, via a call option, to call the majority shareholding.

Since 2020, Hesto has made losses, which were exacerbated by a significant loss in 2023 due to higher-than-expected up-front costs, labour and line capacity as well as increased inventory to support a major new customer contract which resulted in significant debt levels within the Hesto business, including amounts injected by the Technical Partner. This resulted in the Technical Partner providing a disproportionate share of the funding and Metair guaranteeing such amounts. Taking into consideration the disproportionate funding provided by the Technical Partner negotiations began in 2024 to rebalance the disproportionate position between the shareholders.

Following these discussions, in order to correct the disproportionate funding position, the following outcomes were achieved:

- Initial partial repayments of the Technical Partner's shareholder loan and trade credit support, advanced to Hesto by Metair with bridge-financing facilities provided by Metair's external lenders;
- A debt capital refinancing of Hesto to extinguish the remaining trade credit support provided by the Technical Partner as well as the refinance of the existing external lender financing;
- The above resulted in the extinguishment of guarantees provided by Metair relating to the disproportionate funding;
- An agreement between the Technical Partner and Metair clarifying the shareholder rights as entrenched in the Hesto Shareholders Agreement which also facilitated the Hesto debt capital refinancing.

The agreement between the Technical Partner and Metair clarified their strategic relationship. Under this agreement, the Technical Partner's role is aligned with that of a strategic intellectual property licensor and technical advisor. The Technical Partner's decision-making rights are 'protective rights' in terms of IFRS, exercisable only in circumstances where Metair's actions may be expected to have a harmful impact on our Technical Partner's technologies, reputation, business relationship with automotive companies and business interests in South Africa and other countries where the Technical Partner has or will have business interests.

As a result of the negotiations between Metair and the Technical Partner to rebalance the disproportionate funding and the resulting agreement by the Technical Partner to only exercise its voting rights and/or call option rights, to the extent Metair exercises its voting rights in a manner that could reasonably be expected to have a harmful impact on the Technical Partner gave rise to facts and circumstances that required an assessment of whether Metair controls Hesto.

Based on the above, Metair is of the view that it will control Hesto on the basis that the Technical Partner will exercise its voting rights on a protective basis only. As the agreement by the Technical Partner was signed in March 2025 Hesto will be fully consolidated from 1 April 2025.

The transaction did not involve any change in ownership percentage (the Group continues to hold 74.9%) and no additional consideration was transferred. However, in accordance with IFRS 3 Business Combinations, the acquisition of control represents a business combination achieved in stages (step acquisition).

In accordance with IFRS 3:

Step 1 (remeasure associate to fair value at the acquisition date)

- The Group's 74.9% interest in Hesto was remeasured to its fair value at the acquisition date, determined using a discounted free cash flow valuation. The fair value adjustment has been calculated as follows:

R'000	30 June 2025
Fair value of the Group's 74.9% interest	816 012
Investment represented by the shareholder loan net of ECL raised	(1 171 962)
Release of previously recognised financial guarantee	21 732
Net fair value loss recognised at date of acquisition	(334 218)

Step 2 (derecognise the previously held investment in associate and recognise individual identifiable assets and liabilities and related Non-controlling interests ("NCI") and determine goodwill/bargain purchase)

- The Group has consolidated Hesto from 1 April 2025, recognising its identifiable assets and liabilities at their respective fair values in accordance with IFRS 3. Non-controlling interests of 25.1% have been presented in equity.
- The fair value of Hesto's identifiable net assets exceeded the fair value of the Group's previously held interest. Consequently, the Group recognised a bargain purchase gain of R29 million in profit or loss, in accordance with IFRS 3.

The following table summarises the recognised amounts of assets and liabilities assumed at the date of acquisition.

Effect of the step acquisition

R'000	Book value	Fair value adjustments	Fair value
Property, plant and equipment	758 858		758 858
Intangible assets	372 306		372 306
Intangible assets - customer relationship		180 166	180 166
Inventories	1 181 409		1 181 409
Trade and other receivables	776 822		776 822
Deferred taxation liabilities	350 190	(48 645)	301 545
Cash and cash equivalents	(27 794)		(27 794)
Trade and other payables including government grants	(966 185)		(966 185)
Provisions and accruals	(12 153)		(12 153)
Other borrowings	(92 904)		(92 904)
Bank borrowings	(436 650)		(436 650)
Minority ring fenced trade credit	(934 500)		(934 500)
Metair shareholder loan	(1 185 523)		(1 185 523)
Minority shareholder loan	(358 885)		(358 885)
Taxation payable	(2 599)		(2 599)
Net assets acquired	(577 608)	131 521	(446 087)
Share based payment reserve			(9 064)
Non-controlling interest ¹			114 243
			(340 908)
Metair shareholder loan			1 185 523
Net assets attributed to the parent			844 615
Bargain purchase gain			(28 603)
Fair value of investment to the parent			816 012

¹ The underlying business is in a negative equity position, which results in a debit non-controlling interest balance.

From 1 April 2025 to 30 June 2025, Hesto contributed revenue of R2 044 million and profit after tax of R75 million to the Group.

If Hesto was acquired on 1 January 2025, the contributed revenue would have been R3 087 million. Contributed profit after tax would have been R76 million.

NOTES TO THE CONDENSED UNAUDITED CONSOLIDATED INTERIM FINANCIAL STATEMENTS continued

4. BORROWINGS

During the 2025 financial year, the Group completed its debt restructure and refinance programme, aimed at optimising the capital structure and providing Metair with a more sustainable debt structure with appropriately aligned repayment terms.

A R3.3 billion package for the SA Obligor (excluding Hesto) was concluded in April 2025, comprising a five-year R850 million amortising loan, a five-year R850 million bullet term loan, and a R1.6 billion subordinated loan repayable by 30 June 2027. The Hesto Obligor R1.4 billion refinance was concluded in June 2025 to refinance existing R438 million bank facilities and settle the long outstanding credit advanced to Hesto by its minority shareholder, Yazaki Corporation ("Yazaki"). While Metair continues to be negatively impacted by high interest paid on its outstanding debt, these arrangements improved the Group's funding profile, extended maturities and aligned debt structures with its long-term capital strategy.

Borrowings and financial liabilities may be summarised as follows:

R'000	Six months ended		Year ended
	30 June 2025	30 June 2024	31 December 2024
	R'000	R'000	R'000
	Unaudited	Unaudited	Audited
Redeemable preference shares		840 000	
Bank borrowings	4 731 354	2 869 466	3 178 965
Instalment sale liabilities	165 985	218 069	192 872
Lease liabilities	296 669	74 210	142 902
Total borrowings	5 194 008	4 001 745	3 514 739
Financial guarantee liabilities		44 949	21 732
Total borrowings and financial liabilities	5 194 008	4 046 694	3 536 471
Current portion of borrowings and financial liabilities	294 950	2 980 550	3 279 114
Non-current portion of borrowings and financial liabilities	4 899 058	1 066 144	257 357
Total borrowings and financial liabilities	5 194 008	4 046 694	3 536 471

R'000	Group			
	Bank borrowings	Minority ring fenced trade creditor	Instalment sale and lease liabilities	Total
Reconciliation of borrowings to cash flows arising from financing activities				
Balance at the beginning of the year	3 178 965		335 775	3 514 740
Acquisition of subsidiary (non-cash)	436 650	934 500	92 904	1 464 054
Net cash inflow from financing activities	1 114 423	(934 500)	(79 023)	100 900
Bank borrowings raised – Hesto obligor	1 372 150			1 372 150
Bank borrowings raised – SA obligor	3 300 000			3 300 000
Bank borrowings raised – SA obligor	186 300			186 300
Bank borrowings repaid – Hesto obligor	(437 500)	(934 500)		(1 372 000)
Bank borrowings repaid – SA obligor	(3 275 000)			(3 275 000)
Bank borrowings repaid – Rombat	(31 527)			(31 527)
Lease repayments			(79 023)	(79 023)
New leases (non-cash)			113 981	113 981
Foreign currency translation (non-cash)	1 316		(983)	333
	4 731 354		462 654	5 194 008

5. CONTINGENCIES

There has been no other material change in the group's contingent liabilities since year-end.

6. POST-BALANCE SHEET EVENTS

The directors are not aware of any adjusting or non-adjusting events after the reporting date that require disclosure in terms of IAS 10, *Events after the Reporting Period*.

CORPORATE INFORMATION

Metair Investments Limited

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ISIN: ZAE000090692
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Group company secretary

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Independent non-executive directors:

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PH Giliam; N Ketwa; NL Mkhondo; MH Muell
(German); AK Sithebe

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

