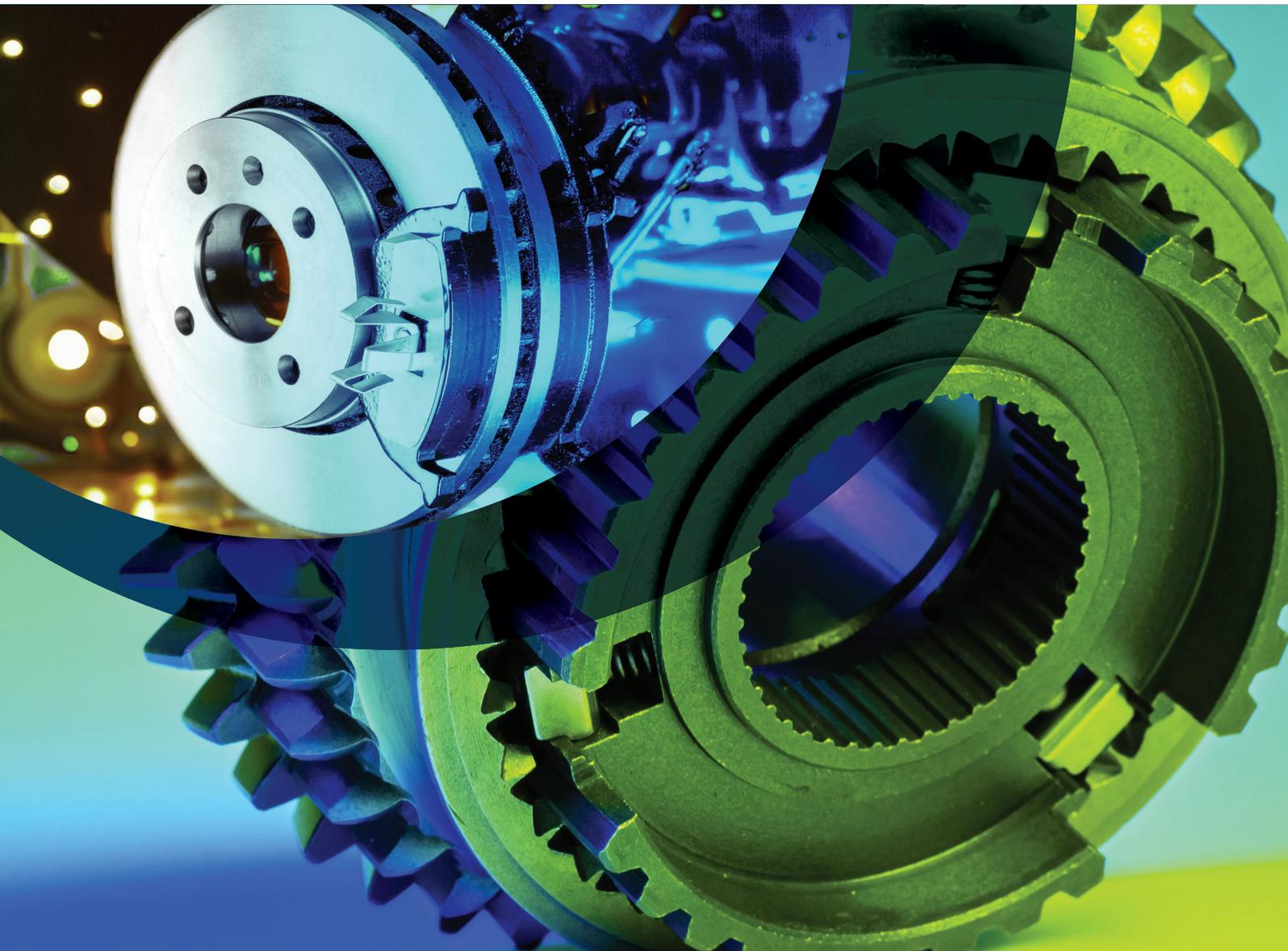
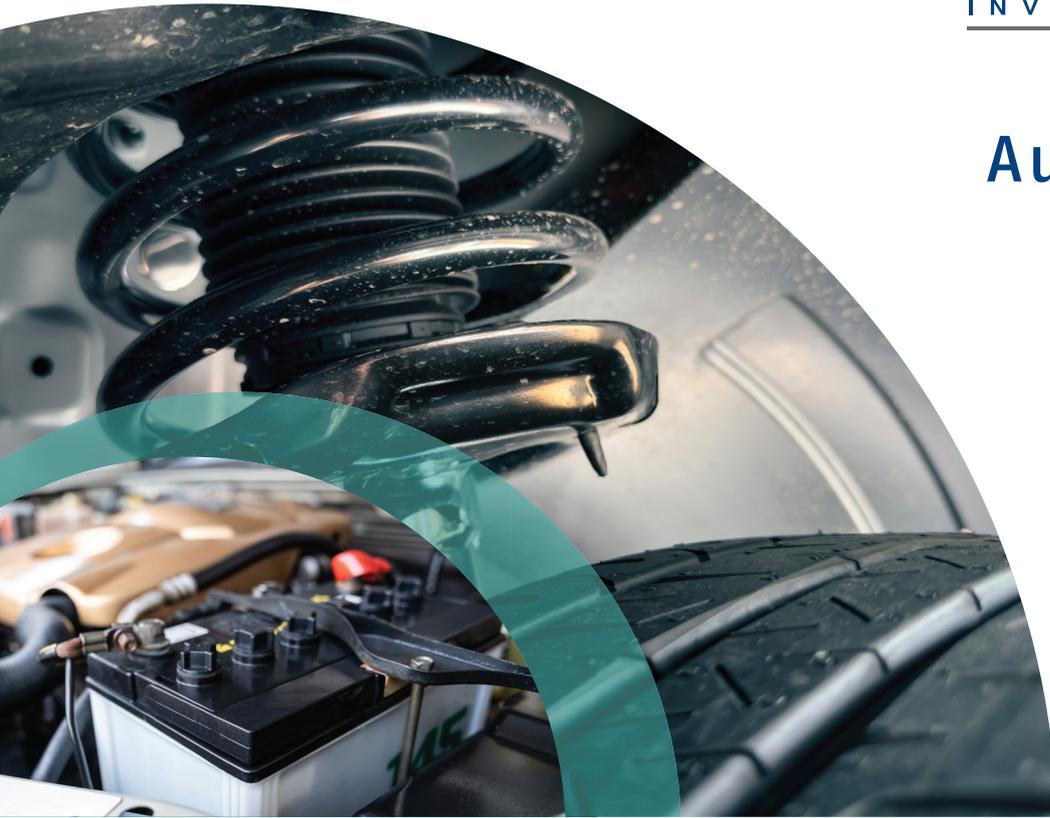


Audited Annual
Financial
Statements
For The Year Ended
31 December
2025



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Level of assurance

These financial statements have been audited in compliance with the applicable requirements of the Companies Act of South Africa, No. 71 of 2008 (Companies Act)

Preparer

The financial statements were prepared under the supervision of Mr A Walker (CFO) BCom Acc, CA(SA)

Published

11 March 2026

CERTIFICATE BY THE COMPANY SECRETARY

In my capacity as company secretary, I hereby confirm, in terms of section 33(1) of the Companies Act, that for the year ended 31 December 2025, the company has lodged with the Companies and Intellectual Property Commission (CIPC) all such returns as are required of a public company in terms of the Companies Act and that all such returns are true, correct and up to date.



SM Vermaak
10 March 2026

APPROVAL OF FINANCIAL STATEMENTS

The group financial statements and the financial statements of the company for the year ended 31 December 2025, set out on pages 3 to 104, were approved by the board of directors and signed on its behalf by:



TN Mgoduso
Chairperson



P O'Flaherty
CEO

Johannesburg
10 March 2026

DIRECTORS' RESPONSIBILITIES

STATEMENT OF RESPONSIBILITY BY THE BOARD OF DIRECTORS

The directors are responsible for maintaining proper accounting records and the preparation, integrity, and fair presentation of the financial statements of Metair Investments Limited (Metair or the company or the group) and its subsidiaries. The accounting records disclose with reasonable accuracy the financial position of the group and company.

The directors acknowledge that they are ultimately responsible for the system of internal controls established by the group and place considerable importance on maintaining a strong control environment. The directors are of the opinion, based on the information and explanations given by management and the internal auditors that the system of internal controls provides reasonable assurance that the financial records may be relied upon for the preparation of the financial statements.

The directors are of the opinion that the group and the company have adequate resources to continue in operation for the foreseeable future and accordingly the financial statements have been prepared on a going concern basis.

The auditor is responsible for reporting on whether the group financial statements and the financial statements of the company are fairly presented in accordance with the applicable reporting framework.

The consolidated financial statements are stated in South African Rand (ZAR) and are prepared in accordance with IFRS™ accounting standards as issued by the International Accounting Standards Board (IASB) and effective for the group at 31 December 2025 and the SAICA Financial Reporting Guides, as issued by the Accounting Practices Committee and Financial Reporting Pronouncements as issued by the Financial Reporting Standards Council and the Companies Act.

They are based on appropriate accounting policies which have been applied consistently and are supported by reasonable and prudent judgements and estimates. The directors also prepared the other information included in the annual report and are responsible for both its accuracy and its consistency with the financial statements. The financial statements have been audited by the independent auditors, Ernst & Young Inc. who were given unrestricted access to all financial records and related data, including minutes of all meetings of shareholders, the board of

directors and committees of the board. The directors believe that all representations made to the independent auditors during their audit are valid and appropriate. The annual financial statements fairly present the financial position, changes in equity, results of operations and cash flows of the group.

The audit report of Ernst & Young Inc. is presented on page 5.

DIRECTORS' RESPONSIBILITY ON FINANCIAL CONTROLS

Each of the directors, whose names are stated below, hereby confirm that:

- (a) the annual financial statements set out on pages 3 to 104, fairly present in all material respects the financial position, changes in equity, financial performance and cash flows of the company in terms of IFRS;
- (b) to the best of our knowledge and belief, no facts have been omitted or untrue statements made that would make the annual financial statements false or misleading;
- (c) internal financial controls have been put in place to ensure that material information relating to the company and its consolidated subsidiaries have been provided to effectively prepare the financial statements of the company;
- (d) the internal financial controls are adequate and effective and can be relied upon in compiling the annual financial statements, having fulfilled our role and function as executive directors with primary responsibility for implementation and execution of controls;
- (e) where we are not satisfied, we have disclosed to the Audit Committee and the auditors any deficiencies in design and operational effectiveness of the internal financial controls and have remediated the deficiencies; and
- (f) we are not aware of any fraud involving directors.



P O'Flaherty
CEO



A Walker
CFO

Johannesburg
10 March 2026

DIRECTORS' REPORT

The directors have pleasure in submitting their report for the year ended 31 December 2025.

GENERAL REVIEW

The main business of the group is the manufacture and supply of motor vehicle components and Aftermarket Parts and Retail segment such as automotive and industrial batteries. The group also manufactures non-automotive products. The financial statements on pages 12 to 104 set out fully the financial position, results of operations and cash flows of the group and company for the financial year.

FINANCIAL RESULTS

Group attributable loss for the year amounted to R 452 million (2024: loss of R 4 164 million). Attributable loss from continuing operations amounted to R 353 million (2024: profit of R 302 million).

The directors are satisfied that the group has adequate resources to continue in operational existence for the foreseeable future. Accordingly, the directors continue to adapt the going concern basis in preparing the financial statements. Refer to note 31.

DIVIDENDS

No dividends were declared for ordinary shares during 2025 (2024: Nil).

STATED CAPITAL

Full details on the present position of the company's stated capital are set out in the notes to the financial statements.

There were no changes to stated capital for the year under review. Share incentive scheme particulars relating to options and awards under the Metair 2009 share plan are given in note 27.1 to the financial statements.

CHANGES IN NON-CURRENT ASSETS

The main changes to property, plant and equipment (including lease assets capitalised under IFRS 16) of the group were as follows:

	R'000
Additions (note 7)	665 517

The main changes to the intangible assets of the group were as follows:

	R'000
Additions (note 8)	99 584

DIRECTORS

The composition of the board of directors is set out on pages 24 to 25 of the integrated annual report.

P O'Flaherty

A Walker (appointed July 2025)

TN Mgoduso

B Mawasha (appointed March 2018 and resigned October 2025)

S Sithole (appointed as alternate director August 2022 and resigned May 2025)

MN Muell

NL Mkhondo

A Sithube

P Giliam

A Jogia (appointed May 2023 and resigned June 2025)

N Ketwa

G Ashford (appointed October 2025)

SECRETARY

SM Vermaak

Business address

111 Mimetes Road, Denver, Johannesburg, 2011

INTEREST OF DIRECTORS

Interest of directors in the company's stated capital are disclosed in note 27 of the financial statements. The directors have no material interest in contracts with the group.

SUBSIDIARIES

Details of the company's investments in its subsidiaries are disclosed on page 103 and in note 10 to the financial statements. During the year under review, the group decided to discontinue its operations in Dynamic UK and to dispose of its Industrial division of First Battery (note 29).

HOLDING COMPANY

The company has no holding company.

AUDITORS

Ernst & Young Inc. was the group auditor in accordance with section 90 of the Companies Act and appointed for the 2025 financial year.

SPECIAL RESOLUTIONS AND ANNUAL GENERAL MEETING ('AGM')

Special resolutions were passed at the previous AGM held on 7 May 2025 in regard to:

- Approval of non-executive directors' remuneration with effect from 1 January 2025 onwards.
- Separate approvals for the provision of financial assistance in terms of section 44 and 45 of the Companies Act respectively; and
- General authority to acquire (repurchase) shares.

An AGM will be held on Monday, 4 May 2026. Refer to the notice of the AGM when issued for further details of the ordinary and special resolutions for consideration at the meeting.

POST-BALANCE SHEET EVENTS

The directors have considered all events subsequent to the reporting date and up to the date of approval of the financial statements. There were no material events that require adjustment to or disclosure in these financial statements.

APPROVAL OF FINANCIAL STATEMENTS

The directors have approved the financial statements on pages 12 to 104 which are signed on their behalf by:

TN Mgoduso
Chairperson

P O'Flaherty
CEO

Johannesburg
10 March 2026

INDEPENDENT AUDITOR'S REPORT

TO THE SHAREHOLDERS OF METAIR INVESTMENTS LIMITED

Report on the Audit of the Consolidated and Separate Financial Statements

Opinion

We have audited the consolidated and separate financial statements of Metair Investments Limited and its subsidiaries ('the group') and company set out on pages 13 to 104, which comprise of the consolidated and separate balance sheets as at 31 December 2025, and the consolidated and separate income statements, the consolidated and separate statements of changes in equity and the consolidated and separate statements of cash flows for the year then ended, and notes to the consolidated and separate financial statements, including material accounting policy information.

In our opinion, the consolidated and separate financial statements present fairly, in all material respects, the consolidated and separate financial position of the group and company as at 31 December 2025, and its consolidated and separate financial performance and consolidated and separate cash flows for the year then ended, in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board and the requirements of the Companies Act of South Africa.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated and Separate Financial Statements section of our report. We are independent of the group and company in accordance with the Independent Regulatory Board for Auditors' Code of Professional Conduct for Registered Auditors (IRBA Code) as applicable to audits of financial statements of public interest entities, and other independence requirements applicable to performing audits of financial statements of the group and company and in South Africa. We have fulfilled our other ethical responsibilities in accordance with the IRBA Code and in accordance with other ethical requirements applicable to performing audits of the group and company and in South Africa. The IRBA Code is consistent with the corresponding sections of the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards). We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

In terms of the IRBA Rule on Enhanced Auditor Reporting for the Audit of Financial Statements of Public Interest Entities, published in Government Gazette Number 49309 dated 15 September 2023 (EAR Rule) we report:

Final Materiality

The ISAs recognise that:

- Misstatements, including omissions, are considered to be material if the misstatements, individually or in the aggregate, could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements;
- Judgments about materiality are made in light of surrounding circumstances, and are affected by the size or nature of a misstatement, or a combination of both; and
- Judgments about matters that are material to users of the financial statements consider users as a group rather than as specific individual users, whose needs may vary greatly.

The amount we set as materiality represents a quantitative threshold used to evaluate the effect of misstatements to the financial statements as a whole based on our professional judgment. Qualitative factors are also considered in making final determinations regarding what is material to the financial statements.

INDEPENDENT AUDITOR'S REPORT CONTINUED

Group Final Materiality:

We determined final materiality for the group to be R50 789 000, which is based on 5% of adjusted earnings before interest and tax (EBIT). We have identified EBIT as the most appropriate basis as we typically believe that profit companies are evaluated by users on their ability to generate earnings. In using the earnings-based measure we did believe it was necessary to adjust the base. In adjusting the base, we adjusted for the fair value remeasurement loss (R305 615 376) and the Rombat fine (R412 591 033) because both items are non-recurring and non-operational in nature.

The IFRS 3 fair value remeasurement loss is a once-off, non-cash accounting adjustment arising from the change in control of Hesto and does not reflect ongoing business performance. Similarly, the Rombat fine relates to an exceptional regulatory penalty that is not part of the Group's normal operating activities.

Company Final Materiality:

We determined final materiality for the standalone company to be R1 189 000, which is based 5% of earnings before interest and taxes (EBIT). We have identified EBIT as the most appropriate basis as we typically believe that profit companies are evaluated by users on their ability to generate earnings.

Group Audit Scope

Our assessment of audit risk, our evaluation of materiality and our allocation of performance materiality determine our audit scope for each component within the group. Taken together, this enables us to form an opinion on the consolidated financial statements. We take into account the size and risk profile of the components in the group. In addition, we further consider the organisation of the group and effectiveness of group wide controls, changes in the business environment, and other factors such as our experience in prior years and recent internal audit results when assessing the level of work to be performed at each component of the group. Our process focuses on identifying and assessing the risk of material misstatements of the group financial statements as a whole including, with respect to the consolidation process.

In establishing our overall approach to the group audit, we determined the type of work that needed to be undertaken at each of the components by us, as the primary audit engagement team, or by component auditors under our instruction.

In selecting components, we perform risk assessment activities across the group and its components to identify risks of material misstatement. We then identify how the nature and size of the account balances at the components contribute to those risks and thus determine which account balances require an audit response. We then consider for each component the degree of risk identified (whether pervasive or not) and the number of accounts requiring audit responses to assign either a full or specific scope (including specified procedures) to each component. We involved component auditors in this risk assessment process.

In our assessment of the residual account balances not covered by the audit procedures, we considered whether these could give rise to a risk of material misstatement of the group financial statements. This assessment included performing overall analytical procedures at group level.

Of the 15 components selected, we identified:

- 4 components ("full scope components") which were selected based on the pervasiveness of risk in those components and for which we therefore performed procedures on what we considered to be the entire financial information of the component.
- 11 components ("specific scope components") where our procedures were more focussed or limited to specific accounts which we considered had the potential for the greatest impact on the significant accounts in the financial statements given the specific risks identified.

At group level we also tested the consolidation process, share based payments and long service awards.

Key Audit Matters

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

We have fulfilled the responsibilities described in the Auditor’s Responsibilities for the Audit of the Consolidated and Separate Financial Statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated and separate financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated and separate financial statements.

In terms of the EAR Rule, we are required to report the outcome of audit procedures or key observations with respect to the key audit matters and these are included below.

The key audit matters apply equally to the audit of the consolidated and separate financial statements.

Key audit matter description	How the matter was addressed in the audit
<p><u>Step-Acquisition and Consolidation of Hesto Harnesses (IFRS 3 – Business Combination)</u></p> <p>During the year, the Group obtained control of Hesto Harnesses Proprietary Limited (“Hesto”) through a step acquisition. Although the Group’s ownership interest remained unchanged, the reassessment and contractual clarification of the nature of the minority shareholder’s rights resulted in those rights being protective in nature. As a result, Hesto was consolidated from 1 April 2025.</p> <p>The transaction required the Group to apply IFRS 3, resulting in the remeasurement of the previously held interest to fair value, a process which required complex valuation techniques and significant management judgement. The Group recognised a fair value remeasurement loss of R355 million (Note 30 and, following recognition of the identifiable assets and liabilities at fair value, a bargain-purchase gain of R50 million (Note 30 and Note 3 – Capital items).</p> <p>We identified the transaction as a key audit matter due to:</p>	<p>Our audit procedures included, among others:</p> <p>We inspected the shareholder agreements, clarification letter, memorandum of incorporation and board resolutions, and analysed the circumstances under which voting and call-option rights could be exercised. We compared these to the characteristics of protective rights described in IFRS 10 and evaluated whether the Group had the current ability to direct Hesto’s relevant activities, taking into account contractual arrangements and refinancing commitments.</p> <p>We analysed the sequence of events leading to the change in control, including the timing of the rights clarification and refinancing arrangements, and considered the application of IFRS 3 guidance on practical consolidation dates for the identification of the acquisition date.</p> <p>We inspected the components of the previously-held interest, including the shareholder loan classified as part of the net investment and accumulated losses absorbed against that loan, to understand their composition and classification. This was relevant in determining the carrying amount of the previously-held interest at the acquisition date.</p>

INDEPENDENT AUDITOR'S REPORT CONTINUED

<p>1. The judgement involved in assessing whether the minority shareholder's rights were protective rather than substantive under IFRS 10, including assumptions about the circumstances under which voting and call-option rights could be exercised and whether these rights provided the current ability to direct relevant activities.</p> <p>2. The judgement involved in applying IFRS 3 step-acquisition requirements, including assumptions relating to the identification of the acquisition date and the determination of the carrying amount of the previously-held interest at that date.</p> <p>3. Significant valuation assumptions used in determining fair values for the IFRS 3 consolidation, including:</p> <ul style="list-style-type: none"> • forecast cash flows, discount rates and terminal growth rates used in the enterprise valuation to determine the fair value of the previously-held interest; • customer renewal expectations, useful life, contributory asset charges, attrition rates and discount rates used in the multi-period excess earnings method to value the customer-relationship intangible; and • market rental evidence, capitalisation rates, replacement-cost-new indices, depreciation profiles and obsolescence assumptions used in valuing land, buildings and production equipment; and <p>The above matters required the involvement of internal valuation specialists and required significant audit attention given the extent of audit effort required. The disclosure required per IFRS 3 for the consolidation is set out in the audited financial statements in note 29.</p>	<p>In terms of the significant valuation assumptions used in determining fair values, we performed the following with the support of our internal valuation specialist:</p> <ul style="list-style-type: none"> • We evaluated the discounted cash-flow model used to determine the fair value of the previously-held interest by analysing assumptions relating to forecast cash flows, discount rates and terminal growth rates, and comparing these to historical performance, approved business plans and external market data. • We evaluated the multi-period excess earnings method used to value the customer relationship by analysing assumptions relating to customer renewal expectations, useful life, contributory asset charges, attrition rates and discount rates. We compared these key inputs to historical performance and industry benchmarks, tested the mathematical accuracy of the model and re-calculated the intangible value using the inputs assessed. • We inspected external valuation reports for land, buildings and production equipment and analysed assumptions relating to market rentals, capitalisation rates, replacement-cost-new indices, depreciation profiles and obsolescence, with reference to external data used by our valuation specialists. • We re-calculated the bargain-purchase gain using the fair values of identifiable assets and liabilities acquired, the fair value of the previously-held interest and the measurement of the non-controlling interest. We inspected the opening balance-sheet items recorded on consolidation and evaluated their measurement against the acquisition-date fair values. <p>We assessed the adequacy of the Group's disclosures relating to the business combination in accordance with IFRS 3.</p>
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Key Observations on the Step-Acquisition and Consolidation of Hesto Harnesses (IFRS 3 – Business Combination)

Based on the procedures performed over the Step-Acquisition and Consolidation of Hesto Harnesses (IFRS 3 – Business Combination), we did not identify any significant matters requiring further consideration in concluding on our procedures.

Other Information

The directors are responsible for the other information. The other information comprises the information included in the 104-page document titled “Metair Investments Limited Integrated Annual Report for the year ended 31 December 2025”, which includes the Directors’ report and the Certificate by the company secretary as required by the Companies Act of South Africa. The other information does not include the consolidated or the separate financial statements and our auditor’s report thereon.

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

In connection with our audit of the consolidated and separate financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated and separate financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Consolidated and Separate Financial Statements

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

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

Auditor’s Responsibilities for the Audit of the Consolidated and Separate Financial Statements

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

INDEPENDENT AUDITOR'S REPORT CONTINUED

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

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

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

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

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

Report on Other Legal and Regulatory Requirements

In terms of the IRBA Rule published in Government Gazette Number 39475 dated 4 December 2015, we report that Ernst & Young Inc. has been the auditor of Metair Investments Limited for 4 years

Ernst & Young Inc.

Ernst & Young Inc.

Director - Lerato Hannah Sidubi

Registered Auditor

Chartered Accountant (SA)

10 March 2026

102 Rivonia Road

Sandton

2146

BALANCE SHEETS

AS AT 31 DECEMBER 2025

	Notes	GROUP		COMPANY	
		2025 R'000	2024 R'000	2025 R'000	2024 R'000
ASSETS					
Non-current assets		5 534 715	4 111 562	584 441	583 862
Property, plant and equipment	7	3 571 425	2 703 344		
Intangible assets	8	587 401	28 217		
Costs to fulfil a contract	9	111 741			
Interest in subsidiaries	10			584 441	570 139
Loans to associates	26		960 645		
Investment in associates	11	301 272	325 884		13 723
Deferred taxation	16	962 876	93 472		
Current assets		7 046 274	5 567 421	1 797 843	1 789 359
Costs to fulfil a contract	9	22 587			
Inventory	12	2 713 701	2 105 469		
Trade and other receivables	13	2 039 245	1 715 889		33
Contract assets	1.2	900 958	545 332		
Taxation		21 992	9 294		
Short-term loans to subsidiaries	10			1 796 233	1 787 871
Derivative financial assets	20.5	171	18 927		
Cash and cash equivalents	14	1 300 230	1 172 510	1 610	1 455
Assets held for sale	7	47 390			
Total assets		12 580 989	9 678 983	2 382 284	2 373 221
EQUITY AND LIABILITIES					
Capital and reserves					
Stated capital	27	1 497 931	1 497 931	1 497 931	1 497 931
Treasury shares	27	(84 968)	(100 164)		
Share-based payment reserve	28.1	36 889	38 891	76 338	75 758
Hedging reserve	28.2	(7 032)			
Foreign currency translation reserve	28.3	250 521	277 903		
Equity accounted earnings	28.4	146 724	102 538		
Changes in ownership reserve	28.5	(6 426)			
Retained earnings	28.6	379 407	876 810	434 268	352 399
Ordinary shareholders equity		2 213 046	2 693 909	2 008 537	1 926 088
Non-controlling interests	28.7	47 903	103 131		
Total equity		2 260 949	2 797 040	2 008 537	1 926 088
Non-current liabilities					
Borrowings and financial liabilities	15.1	4 737 197	257 357		
Post-employment benefits	23	50 542	43 022		
Deferred taxation	16	762 000	167 649		
Deferred grant income	17	205 025	135 405		
Minority shareholders loan	15.2	333 925			
Provisions for liabilities and charges	18	360 309	40 104		
Current liabilities		3 871 042	6 238 406	373 747	447 133
Trade and other payables (including deferred grant income)	17	3 018 330	2 229 544	907	1 887
Contract liabilities	1.2	58 839	181 704		
Borrowings and financial liabilities	15.1	379 609	3 279 114		47 982
Taxation		18 387	41 937		
Provisions for liabilities and charges	18	235 269	140 086		
Short-term loans from subsidiaries	10			372 840	397 264
Derivative financial liabilities	20.5	72 536	1 870		
Bank overdrafts	14	88 072	364 151		
Total liabilities		10 320 040	6 881 943	373 747	447 133
Total equity and liabilities		12 580 989	9 678 983	2 382 284	2 373 221

INCOME STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

	Notes	GROUP		COMPANY	
		2025 R'000	2024 Represented ^{1 2} R'000	2025 R'000	2024 R'000
Continuing operations					
Revenue	1	17 868 275	11 376 129		
Cost of sales		(15 015 010)	(9 999 323)		
Gross profit		2 853 265	1 376 806		
Other operating income and dividend income	3	211 396	301 148	84 291	36 117
Distribution expenses		(421 720)	(271 248)		
Administrative and other operating expenses ²		(1 559 907)	(878 809)	(9 201)	(6 004)
Impairment reversal/(loss) on financial assets	10,13	3 633	18 137	8 362	(3 935)
Operating profit before capital and exceptional items		1 086 667	546 034	83 452	26 178
Exceptional items - Rombat fine	18	(412 591)			
Operating profit before capital items		674 076	546 034	83 452	26 178
Capital items ²	3	(312 035)	98 519		
Operating profit	3	362 041	644 553	83 452	26 178
Interest income	2	79 624	122 854	8	11
Interest expense	2	(611 966)	(344 731)	(1 590)	(550)
Share of results and impairment of associates ³	11	44 185	31 743		
(Loss)/profit before taxation		(126 116)	454 419	81 871	25 639
Taxation	4	(168 089)	(142 748)	(1)	7
(Loss)/profit from continuing operations for the year		(294 205)	311 671	81 870	25 646
Loss from discontinued operation	29	(98 883)	(4 466 148)		
(Loss)/profit for the year		(393 088)	(4 154 477)	81 870	25 646
Attributable to:					
Equity holders of the company:					
Continuing operations		(353 032)	301 717	81 870	25 646
Discontinued operations		(98 883)	(4 466 148)		
		(451 915)	(4 164 431)	81 870	25 646
Non-controlling interest holders:					
Continuing operations		58 827	9 956		
		58 827	9 956		
Earnings per share from continuing operations					
Basic (loss)/ earnings per share (cents)	5	(181)	155		
Diluted (loss)/ earnings per share (cents)	5	(179)	153		

¹ Comparative information has been represented for the classification of First Battery's Industrial operations and Dynamic Battery UK as a discontinued operation (note 29).

² Capital items have been reclassified and presented separately.

³ In line with equity accounting rules (IFRS - IAS 28) the group's share of results of associates excludes Metair's proportionate share of Hesto's post tax equity profit of R68 million in 2024 and R791 000 for the period January to March 2025. Refer to note 11.

STATEMENTS OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2025

	Notes	GROUP		COMPANY	
		2025 R'000	2024 R'000 Represented ¹	2025 R'000	2024 R'000
(Loss)/profit for the year		(393 088)	(4 154 476)	81 870	25 646
Other comprehensive loss:					
Items that will not be reclassified to profit or loss:					
- Remeasurement loss on defined benefit plans	23	(3 418)	(22 791)		
- Taxation effect	16	923	5 694		
		(2 495)	(17 097)		
Items that may be reclassified to profit or loss:					
- Realisation of foreign currency translation differences upon disposal of operation			908 406		
- Net exchange differences on translation of foreign operations ²		(27 380)	518 882		
- Change in fair value of cash flow hedging instrument		(9 590)			
- Taxation effect		2 558			
Other comprehensive income for the year net of taxation		(36 907)	1 410 191		
Attributable to:					
Equity holders of the company		(36 286)	1 410 316		
- Remeasurement loss on defined benefit plans		(1 903)	(17 115)		
- Realisation of foreign currency translation differences upon disposal of operation			908 406		
- Change in fair value of cash flow hedging instrument		(7 032)			
- Net exchange differences on translation of foreign operations*		(27 351)	519 025		
Non-controlling interests	28.7	(621)	(125)		
- Remeasurement gain/(loss) on defined benefit plans		(592)	18		
- Net exchange differences on translation of foreign operations		(29)	(143)		
Total comprehensive (loss)/income for the year		(429 995)	(2 744 285)	81 870	25 646
Attributable to:					
Equity holders of the company:					
Continuing operations		(389 399)	79 811		
Discontinued operations		(98 802)	(2 833 927)		
		(488 201)	(2 754 116)	81 870	25 646
Non-controlling interests					
Continuing operations	28.7	58 206	9 831		
		58 206	9 831		

¹ Comparative information has been represented for the classification of First Battery's Industrial operations and Dynamic Battery UK as discontinued operations (note 29).

² Foreign currency translation ('FCTR') movements arises on consolidation and consist mainly of foreign exchange losses and gains.

In the prior year these gains and losses arose from Mutlu when converting Turkish Lira earnings to Rands and the impact of applying IAS 29 for hyperinflation consequences in Türkiye. Mutlu was disposed of in the prior year resulting in the significant movement in the current year.

STATEMENTS OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2025

	Notes	GROUP		COMPANY	
		2025 R'000	2024 R'000	2025 R'000	2024 R'000
CASH FLOWS FROM OPERATING ACTIVITIES					
Cash generated from/(utilised in) operations	19.1	1 883 621	1 483 270	(10 152)	(6 016)
Interest paid	19.4	(577 612)	(1 120 461)		
Taxation (paid)/received	19.2	(172 832)	(191 557)	(1)	7
Dividends paid to non-controlling interests	19.3		(34 079)		
Dividends received from associates	11	45 043	30 264	34 721	20 331
Net cash inflow/(outflow) from operating activities		1 178 220	167 437	24 567	14 322
CASH FLOWS FROM INVESTING ACTIVITIES					
Acquisition of property, plant and equipment (excludes leased assets)	7	(390 647)	(448 726)		
Acquisition of intangible assets	8	(99 584)	(17 047)		
Acquisition of subsidiary net of cash acquired	30	(27 794)	(193 517)		
Acquisition of business net of cash acquired		(2 709)			
Proceeds on disposal of subsidiaries net of cash disposed	29		(102 002)		
Loans to related party		(185 347)	(685 079)		
Interest received	2	64 112	87 133	8	11
Proceeds on disposal of property, plant and equipment	3, 7	26 130	20 023		
Proceeds on disposal of intangible assets	8		5		
Net cash (outflow)/inflow from investing activities		(615 839)	(1 339 210)	8	11
CASH FLOWS FROM FINANCING ACTIVITIES					
Preference shares repaid	19.7		(840 000)		
Bridge facility drawdown	19.7		1 815 080		
Hesto Bridge facility raised		186 300			
Rombat term loan raised	19.7	2 004			
Rombat term loan repaid	19.7	(50 623)			
Mutlu and Rombat borrowings repaid	19.7		(1 041 419)		
Mutlu and Rombat borrowings raised	19.7		1 681 398		
Lease payments	19.7	(221 981)	(78 006)		
Long-term SA Obligor loan repaid		(3 275 000)			
Long-term SA Obligor loans raised		3 300 000			
Other		(67 262)			
Hesto borrowings raised		1 372 150			
Hesto borrowings repaid		(488 490)			
Yazaki trade credit finance repaid		(934 500)			
Advances made to subsidiaries	19.5			(24 424)	(14 360)
Utilisation of treasury shares - CGT gain	28.1	(1 713)	(302)		
Net cash (outflow)/inflow from financing activities		(179 115)	1 536 751	(24 424)	(14 360)
Net increase/(decrease) in cash and cash equivalents		383 266	364 978	150	(27)
Cash and cash equivalents at the beginning of the year		808 359	566 615	1 455	1 482
Exchange gain/(loss) effect on cash and cash equivalents		20 533	(123 234)		
Cash and cash equivalents at end of the year	14	1 212 158	808 359	1 605	1 455

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2025

	Notes	GROUP						
		Stated capital	Treasury shares	Other reserves	Retained earnings	Attributable to equity holders of the group	Non-controlling interests	Total equity
		R'000	R'000	R'000	R'000	R'000	R'000	R'000
Year ended 31 December 2025								
Balance as at 1 January 2025	27, 28	1 497 931	(100 164)	419 332	876 810	2 693 909	103 131	2 797 040
Net (loss) / profit for the year	28				(451 915)	(451 915)	58 827	(393 088)
Other comprehensive income/(loss)	28			(34 414)	(1 872)	(36 286)	(621)	(36 907)
Total comprehensive income for the year	28			(34 414)	(453 787)	(488 201)	58 206	(429 995)
Reallocation between retained earnings and other comprehensive income	28.5				3 729	3 729		3 729
Employee share option scheme	28.1			11 633		11 633		11 633
Treasury shares acquired	27			(16 909)		(16 909)		(16 909)
Vesting of share-based payment obligation	27, 28.1		15 196				15 196	15 196
Transfer of net vesting/forfeiture impact to retained earnings	28.1, 28.5			3 275	(3 160)	115	810	925
Transfer of purchase consideration to subsidiary	28.2						(114 244)	(114 244)
Transfer of associate loss and dividend	28.4			44 185	(44 185)			
Dividend ¹	28.5							
Foreign currency translation	28.5							
Disposal of operation	28.5			(6 426)		(6 426)		(6 426)
Balance as at 31 December 2025		1 497 931	(84 968)	420 676	379 407	2 213 046	47 903	2 260 949
Year ended 31 December 2024								
Balance as at 1 January 2024	27, 28	1 497 931	(106 974)	(1 048 603)	5 063 202	5 405 556	127 320	5 532 876
Net profit for the year	28				(4 164 432)	(4 164 432)	9 956	(4 154 476)
Realisation of foreign currency translation differences upon disposal of foreign operation				908 406		908 406		908 406
Other comprehensive income/(loss)	28			519 025	(17 115)	501 910	(125)	501 785
Total comprehensive income/(loss) for the year	28			1 427 431	(4 181 547)	(2 754 116)	9 831	(2 744 285)
Employee share option scheme	28.1			17 615		17 615		17 615
Vesting of share-based payment obligation	27, 28.1		6 810	(7 112)		(302)		(302)
Transfer of net vesting/forfeiture impact to retained earnings	28.1, 28.5			3 307	(3 366)	(59)	59	
Transfer of associate loss and dividend	28.3			1 479	(1 479)			
Dividend ²	28.5						(34 079)	(34 079)
Foreign currency translation	28.4			(1 066)		(1 066)		(1 066)
Disposal of operation	29			26 281		26 281		26 281
Balance as at 31 December 2024		1 497 931	(100 164)	419 332	876 810	2 693 909	103 131	2 797 040

¹ No dividend was declared or paid in respect of the years ended 31 December 2025 and 31 December 2024.

² R34 million refers to Smiths Manufacturing (Pty) Ltd (Smiths Manufacturing) and Rombat SA dividends paid to minority shareholders.

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2025

	Notes	COMPANY					Total equity R'000
		Stated capital R'000	Treasury shares R'000	Share-based payment reserves R'000	Retained earnings R'000	Attributable to equity holders of the company R'000	
Year ended 31 December 2025							
Balance as at 1 January 2025	27, 28	1 497 931		75 758	352 399	1 926 088	1 926 088
Net profit for the year	28.5				81 870	81 870	81 870
Total comprehensive profit for the year					81 870	81 870	81 870
Employee share option scheme	28.1			9 275		9 275	9 275
Acquisition of treasury shares from BVI	27		(8 695)			(8 695)	(8 695)
Exercise of share options	28.1		8 695	(8 695)			
Balance as at 31 December 2025		1 497 931		76 338	434 269	2 008 538	2 008 538
Year ended 31 December 2024							
Balance as at 1 January 2024	27, 28	1 497 931		63 935	326 753	1 888 619	1 888 619
Net profit for the year	28.5				25 646	25 646	25 646
Total comprehensive income for the year	28				25 646	25 646	25 646
Employee share option scheme	28.1			20 385		20 385	20 385
Acquisition of treasury shares from BVI	27		(8 562)			(8 562)	(8 562)
Exercise of share options	28.1		8 562	(8 562)			
Dividend ¹	28.5						
Balance as at 31 December 2024		1 497 931		75 758	352 399	1 926 088	1 926 088

¹ No dividend was declared or paid in respect of the years ended 31 December 2025 and 31 December 2024.

NOTES TO THE FINANCIAL STATEMENTS

1. SEGMENT REPORT AND REVENUE

1.1

	2025				2024 ¹			
	Group	OEM Segment	AFM Segment	Head office	Group	OEM Segment	AFM Segment	Head Office
REVENUE	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000
Local	17 182 586	13 064 352	4 118 234		14 890 453	12 557 860	2 332 593	
Export	2 265 172	246 614	2 018 558		2 049 895	38 171	2 011 724	
Subtotal	19 447 758	13 310 966	6 136 792		16 940 348	12 596 031	4 344 317	
Managed associate	(1 042 277)	(1 042 277)	0		(5 504 344)	(5 504 344)	0	
Intergroup*	(537 206)	(492 053)	(45 153)		(59 875)	(11 086)	(48 789)	
Total	17 868 275	11 776 636	6 091 639		11 376 129	7 080 601	4 295 528	

Cost of sales								
Operating segments	(15 915 339)	(11 110 913)	(4 804 426)		(14 946 515)	(11 345 919)	(3 600 594)	
Managed associate	900 329	900 329			4 947 192	4 947 192		
Cost of sales	(15 015 010)	(10 210 584)	(4 804 426)		(9 999 323)	(6 398 727)	(3 600 594)	

PBIT								
Operating segments	1 164 131	979 017	250 981	(65 867)	811 417	629 705	272 413	(90 701)
Managed associate	(53 489)	(53 489)			(253 492)	(253 492)		
Amortisation and depreciation arising from business combinations	(16 608)			(16 608)	(3 072)			(3 072)
Restructuring costs	(7 368)	(2 697)	(4 671)		(8 819)	(3 543)	(5 276)	
PBIT before exceptional items	1 086 666	922 831	246 310	(82 475)	546 034	372 670	267 137	(93 773)
Exceptional items - Rombat fine	(412 591)		(412 591)					0
PBIT before capital items	674 075	922 831	(166 281)	(82 475)	546 034	372 670	267 137	(93 773)
Capital items	(312 035)	5 990	(8 341)	(309 684)	98 518	175	(44 047)	142 390
Operating profit²	362 040	928 821	(174 622)	(392 159)	644 552	372 845	223 090	48 617
Capital items includes:								
Fair value loss on consolidation of subsidiaries	(360 018)			(360 018)				
Gain on bargain purchase	50 335			50 335	194 959			194 959
(Profit)/Loss on Disposal of PPE	4 636	5 990	(1 353)		(15 676)	175	(15 851)	
Impairments	(6 988)		(6 988)		(80 765)		(28 196)	(52 569)
Total	(312 035)	5 990	(8 341)	(309 683)	98 518	175	(44 047)	142 390

Other major costs included in profit before interest and tax								
Depreciation and amortisation	609 677	367 747	224 537	17 393	305 834	170 400	131 201	4 233
Employee expenses	3 778 488	2 416 552	1 286 766	75 170	2 208 766	1 231 507	912 419	64 840
Raw materials , consumables used and production overheads	11 970 905	8 405 759	4 132 251	(567 105)	8 047 652	5 254 913	2 878 823	(86 085)

* Intergroup eliminations includes the elimination of intercompany sales within the group

¹ Comparative information has been represented for the classification of First Battery's Industrial operations and Dynamic Battery UK as discontinued operations (note 29).

² For a reconciliation of PBIT to net profit for the year, refer to the income statement

NOTES TO THE FINANCIAL STATEMENTS

1. SEGMENT REPORT AND REVENUE (continued)

1.2 SEGMENT REVIEW (continued)

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.

Segment information

Segment description and principal activities (on continuing basis)

The group manages an international portfolio of companies focused on the manufacture, distribution and retail of automotive components, batteries and related products for local and export automotive markets.

The group's manufacturing locations include South Africa and Romania and exports products directly from these locations into Africa, the Middle East and Europe. The executive directors of the group and company are the chief operating decision makers. In determining operating and reportable segments, management assesses performance from a vertical, product, market and sales channel perspective. The reportable segments presented in the annual report are consistent with the operating segments identified by management.

The group's business is managed and analysed in two distinct and strategically focused verticals:

Aftermarket, Parts and Retail

The Aftermarket, Parts and Retail vertical represents the group's integrated distribution and retail platform and is a core strategic focus area, providing automotive and industrial products directly to end-users, workshops and independent resellers through owned and partner retail channels.

This vertical includes the operations of AutoZone, QSV, Move Workshops, ATE Retail and First Battery Retail (excluding Dynamic Battery UK), together with the group's retail and distribution activities across Southern Africa.

The group operates an extensive retail footprint comprising more than 180 corporate-owned retail stores in South Africa and a further 32 member stores located in Namibia, Botswana, Mozambique and Eswatini under the AutoZone and QSV banner. This network provides direct access to customers and enhances the group's ability to capture value across the automotive aftermarket value chain. In addition, the group operates 160 franchise stores under the First Battery Centre banner.

Products supplied through this vertical include automotive replacement parts, batteries, components and accessories for passenger, commercial and industrial vehicles, serving both automotive and non-automotive sectors. Customers include individual consumers, workshop, fleet operators and resellers.

This vertically integrated retail and distribution platform provides the group with direct market access, enhance customer relationships, strengthens brand presence and supports recurring revenue streams throughout the vehicle life cycle.

OEM Direct Manufacturing segment, including exports – original equipment ('OE'), aftermarket and non-automotive

The traditional automotive components business comprises of the following segments which manufacture products for the local and export markets:

- OE;
- aftermarket; and
- non-automotive products.

The OEM Direct Manufacturing vertical comprises the group's manufacturing operations that produce automotive components used in the assembly of new vehicles for OEM customers. The supply arrangements are typically linked to specific vehicle platforms and benefit from long product life cycles, providing stable and predictable revenue streams.

The vertical also manufactures components supplied to the aftermarket, supporting ongoing vehicle maintenance and replacement demand, as well as products for non-automotive sectors including utility, mining, telecommunications and materials handling applications.

Automotive component products include coil and leaf springs, headlights, wiring harnesses and cable, air-conditioning systems, radiators, climate control systems, shock absorbers and plastic injection-moulded components

The businesses of Smiths Manufacturing, Automould, Auto Plastics, Supreme Spring, Lumotech, Unitrade and Hesto form part of the OEM Direct Manufacturing vertical.

This manufacturing capability enables the group to participate across the full vehicle lifestyle. From original equipment production through to aftermarket replacement demand, while supporting both domestic and international customers.

NOTES TO THE FINANCIAL STATEMENTS

CONTINUED

1. SEGMENT REPORT AND REVENUE (continued)

1.1 SEGMENT REVIEW (continued)

Basis of measurement

The executive directors assess the performance of these operating segments based on operating profit, or profit before interest and tax ('PBIT'), which includes reported depreciation, amortisation as well as impairment charges.

Interest income and expenses are not allocated to segments and amortisation of intangible assets arising from business combinations are also excluded. The amounts provided to the executive directors do not include regular measures of segment assets and liabilities and have therefore not been disclosed. Revenue from external parties reported to the executive directors is measured in a manner consistent with that in the income statement. All segment revenues include those from external customers arising from the sales of goods. The sales to and purchases from related parties are made on terms equivalent to those that prevail in arm's length transactions.

Entity-wide information

Major customers

61% (2024: 65%) of total group revenue arises from sales to two external major customers of the group. 90% (2024: 87%) specifically arises in the local OE segments of the automotive components vertical.

Geographical information

The group is domiciled in South Africa. Revenue from South African operations (including Hesto) was R16 452 million (2024: R14 483 million) and R2 459 million (2024: R2 397 million) from Europe and the Middle East ('EME'). EME domiciled operations predominantly consists of Romania.

Non-current assets

Non-current assets (excluding deferred tax assets) amounted to R4 572 million (2024: R4 018 million) of which R919 million (2024: R1 149 million) relates to foreign operations.

1. **SEGMENT REPORT AND REVENUE (continued)**
1.1 **SEGMENT REVIEW (continued)**

1.2 **REVENUE**

A. Revenue streams

The group generates revenue primarily from the sale of automotive components (car parts), automotive batteries and industrial products to its customers. The group currently has two distinct business verticals, OEM Direct Component Manufacturing and After Market Parts and Retail. The group's segment report (note 1.1 above) provides further information about the group's products, markets and revenue streams.

	GROUP	
	2025	2024
	R'000	Represented R'000
Revenue from contracts with customers	17 868 275	11 376 129

B. Disaggregation of revenue

The group derives revenue from the sale and transfer of goods and services over time and at a point in time. In the following tables, revenue is disaggregated by primary geographical markets (domiciled sales), major products and service lines and the timing thereof. The tables also include a reconciliation with segmented revenue.

	GROUP					
	2025			2024		
	Revenue as reported	Managed associate	Total segment revenue	Revenue as reported	Managed associate	Total segment revenue
	R'000	R'000	R'000	R'000	R'000	R'000
TOTAL GROUP						
Primary geographical markets						
South Africa	15 409 561	1 042 277	16 451 838	8 978 307	5 504 344	14 482 651
Romania	2 458 714		2 458 714	2 397 822		2 397 822
	17 868 275	1 042 277	18 910 552	11 376 129	5 504 344	16 880 473
Major product and service lines						
Automotive batteries	4 275 718		4 275 718	4 184 989		4 184 989
Automotive components and car parts	13 192 437	1 042 277	14 234 714	6 976 999	5 504 344	12 481 343
Automotive customer tooling	382 762		382 762	205 376		205 376
Industrial and non-automotive products	17 358		17 358	8 765		8 765
	17 868 275	1 042 277	18 910 552	11 376 129	5 504 344	16 880 473
Timing of revenue recognition						
Products transferred at a point in time	9 761 090		9 761 090	5 925 150		5 925 150
Products and services transferred over time	8 107 185	1 042 277	9 149 462	5 450 979	5 504 344	10 955 323
	17 868 275	1 042 277	18 910 552	11 376 129	5 504 344	16 880 473

¹ Comparative information has been represented for the classification of First Battery industrial business and Dynamic Battery UK as discontinued operations (note 29).

NOTES TO THE FINANCIAL STATEMENTS

CONTINUED

1. SEGMENT REPORT AND REVENUE (continued)

1.2 REVENUE (continued)

B. Disaggregation of revenue from contracts with customers (continued)

	Reportable segments			
	Group R'000	Managed associate R'000	OEM R'000	AFM R'000
2025				
Primary geographical markets				
South Africa	15 409 561	(1 042 277)	12 818 913	3 632 926
Romania	2 458 714			2 458 713
	17 868 275	(1 042 277)	12 818 913	6 091 639
Major product and service lines				
Automotive batteries	4 275 718			4 275 718
Automotive components and parts	13 192 437	(1 042 277)	12 418 793	1 815 921
Customer tooling services	382 762		382 762	
Industrial and utility components (non auto)	17 358		17 358	
	17 868 275	(1 042 277)	12 818 913	6 091 639
Timing of revenue recognition				
Products transferred at a point in time	9 761 091		3 669 452	6 091 639
Products and services transferred over time	8 107 184	(1 042 277)	9 149 461	-
	17 868 275	(1 042 277)	12 818 913	6 091 639
2024*				
Primary geographical markets				
South Africa	8 978 307	(5 504 344)	12 585 968	1 896 684
Romania	2 397 822			2 397 822
	11 376 129	(5 504 344)	12 585 968	4 294 506
Major product and service lines				
Automotive batteries	4 184 989			4 184 989
Automotive components and parts	6 976 999	(5 504 344)	12 371 827	109 516
Customer tooling services	205 376		205 376	
Industrial and utility components (non auto)	8 765		8 765	
	11 376 129	(5 504 344)	12 585 968	4 294 506
Timing of revenue recognition				
Products transferred at a point in time	5 925 150		1 630 644	4 294 506
Products and services transferred over time	5 450 979	(5 504 344)	10 955 323	
	11 376 129	(5 504 344)	12 585 967	4 294 506

¹ Comparative information has been represented for the classification of First Battery industrial business and Dynamic Battery UK as discontinued operations (note 29).

1. **SEGMENT REPORT AND REVENUE (continued)**

1.2 **REVENUE (continued)**

C. Contract balances

The following section provides information about contract assets and contract liabilities:

	GROUP	
	31 Dec 2025 R'000	31 Dec 2024 R'000
Contract assets*	900 958	545 332
Contract liabilities	58 839	181 704

* Any unconditional rights to consideration are presented separately as a receivable. A right to consideration is 'unconditional' if only the passage of time is required before payment is due. Although the group has an enforceable right to payment for performance completed to date (i.e., Automotive parts completed but not delivered) it does not necessarily have a present unconditional right to consideration until goods are actually delivered and invoiced to the customer. Expected credit losses on contract assets are immaterial.

C.1 Significant changes in contract assets and liabilities

Contract assets relate primarily to the group's rights to consideration for work completed and committed to date on automotive components and tooling, but not billed at the reporting date. These contract assets are transferred to receivables when the rights become unconditional. This usually occurs when the goods have been delivered and invoiced, and accepted by the customer. The associated finished goods, work in progress and materials have been de-recognised within cost of sales.

Contract liabilities primarily relate to advances received from customers for tooling and is invoiced as per specific contractual arrangements.

Rebates and discounts payable for R9.7 million (2024: R8.3 million), as well as refund liabilities for R14.9 million (2024: R14.9 million) are included within trade and other payables (note 17).

The significant changes in the contract assets and the contract liabilities during the period are reconciled in the tables below:

	GROUP			
	2025		2024	
	Contract assets R'000	Contract liabilities R'000	Contract assets R'000	Contract liabilities R'000
Opening balances at 1 January	545 332	(181 704)	408 602	(47 004)
Tooling activities concluded	(18 218)	128 893	(4 478)	10 026
Increases due to cash received excluding amounts recognised as revenue during the period		(6 028)		(144 726)
Transfers from contract assets to receivables (manufactured goods now invoiced)	(533 643)		(404 124)	
Work completed but not yet invoiced during the year	899 361		545 332	
Other	8 125			
Closing balances at 31 December	900 958	(58 839)	545 332	(181 704)

The major movements relate to increases in revenue recognised from changes in the levels of finished goods, work in progress and materials in respect of automotive components for OEM customers.

C.2 Revenue recognised in relation to previous periods

Revenue of R14.9 million (2024: R12.3 million) relating to certain distributor arrangements was recognised in the current year from performance obligations satisfied (or partially satisfied) in previous periods. The arrangement is treated as a sale with a right to return, a form of variable consideration. A refund liability (payables - note 17) and right to recover goods (inventory - note 12) are recognised.

NOTES TO THE FINANCIAL STATEMENTS

CONTINUED

1. SEGMENT REPORT AND REVENUE (continued)

1.2 REVENUE (continued)

C. Contract balances (continued)

C.3 Transaction price allocated to remaining performance obligations

The group's performance obligations are short term in nature. Purchase orders are received for daily car builds and ordering commitments, from OEMs, do not exceed 3 months in general. Tooling contracts in progress have a duration of not more than one year at reporting date. Therefore, no information is provided about remaining performance obligations at 31 December 2025 that have an original expected duration of one year or less, as allowed by IFRS 15.

As a result of the battery distributor arrangement (refer C.2 above), revenue of R14.9 million has been deferred or constrained until 2026. Similarly, in 2024 R12.3 million was deferred and recognised during the current year.

C.4 Contract costs

Incremental costs incurred to satisfy new contracts or obligation are assessed for capitalisation under IFRS 15. The group also incurs training costs from time to time. Although they represent fulfilment costs to satisfy a customer contract, are recoverable and specific, these costs are not allowed to be capitalised per IFRS as these costs would have been incurred regardless of whether the contract is obtained. The group did not incur any nomination fee expenses during the year.

D. Performance obligations and summary of revenue recognition policies

The following tables highlight the key considerations under IFRS 15, by business vertical, from which the group generates its revenue. The full revenue accounting policies can be found within the group's overall accounting policies.

1. SEGMENT REPORT AND REVENUE (continued)

1.2 REVENUE (continued)

D. Performance obligations and summary of revenue recognition policies (continued)

OEM Direct Component Manufacturing Segment	
Products and services	Nature, timing of satisfaction of performance obligations and significant payment terms
Automotive components	Under our arrangements with OEMs, customers control all work in progress as their parts are being built. Revenue is recognised progressively (over time) and includes parts to be delivered (on hand), but entitled to be invoiced. For finished goods, revenue is recognised based on an 'entitled to invoice' method as selling price is known and fixed until annual pricing reviews. For work in progress and specific materials, these are based on costs incurred to date plus an appropriate mark up. Payment terms are normally 30, 45 and 60 days from invoice following actual delivery of the part. The entitlement to consideration is recognised as a contract asset and transferred to receivables when the entitlement to payment becomes unconditional (upon delivery and acceptance of parts).
OEM customer tooling	Revenue for tooling services is recognised progressively based on costs incurred to date (input method). Revenue is recognised on a gross basis (as principal) even though the production of the tooling is normally outsourced to third party tool-makers. Payment terms are usually based on specified instalments over the duration of the contract or construction of the tool.
Customer options (material rights)	Lifetime price reductions for future goods, which result in a material right for a customer, are separated and a portion of revenue (the sales price) is only allocated when those future goods are transferred.
Warranty	All contracts include standard warranty clauses to guarantee that products comply with agreed specifications. Warranty provisions are recognised by the group. There are no extended warranties.
Financing components	The group does not expect to have any contracts where the period between the transfer of the promised goods or services to the customer and the payment by the customer exceeds one year. As a consequence, the group does not adjust any of the transaction prices for the time value of money. Payment terms are within industry norms.

Aftermarket Parts & Retail	
Products and services	Nature, timing of satisfaction of performance obligations and significant payment terms
Automotive batteries	The group recognises revenue when the customer takes possession of the battery (point in time). This usually occurs upon delivery to the customer's premises. For certain distributor arrangements, the amount of revenue recognised is adjusted for the expected refunds to be granted to the distributor, which are estimated based on the historical data for specific sale channels in which the goods are redirected. No cash refunds are made but credit notes are issued. These arrangements are treated as a sale with a right of return, a form of variable consideration. Export sales "inco-terms" are usually free on board and recognised upon shipment of the batteries. Payments terms for sale of batteries varies according to sale channels and are up to 90 days for distributors, 45 to 60 days for OEMs and up to 90 days upon shipment for exports.
Replacement Parts and Accessories	Under other revenue streams other than OEMs, customers do not take control of the products until delivered. Revenue is recognised upon formal acceptance of the product, including risks and rewards of ownership. Payment is on 30-day terms.
Warranty	All contracts include standard warranty clauses to guarantee that products comply with agreed specifications. Warranty provisions are recognised by the group. There are no extended warranties.
Financing components	The group does not expect to have any contracts where the period between the transfer of the promised goods or services to the customer and the payment by the customer exceeds one year. As a consequence, the group does not adjust any of the transaction prices for the time value of money. Payment terms are within industry norms.

NOTES TO THE FINANCIAL STATEMENTS

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	GROUP		COMPANY	
	2025	2024	2025	2024
	Represented ^{1 2}			
	R'000	R'000	R'000	R'000
2. NET FINANCE COSTS				
Interest income				
Bank deposits	52 427	55 763	8	11
Related party loans		66 650		
Other	27 197	441		
	79 624	122 854	8	11
Interest expense				
Bank borrowings and overdraft	(532 220)	(238 550)		
Leases and instalment sale arrangements	(49 994)	(33 814)		
Related party loans	(20 566)			
Dividend on redeemable preference shares		(65 617)		
Defined employee benefits schemes and other	(9 186)	(6 750)	(1 590)	(549)
	(611 966)	(344 731)	(1 590)	(549)
Net finance expense	(532 342)	(221 877)	(1 582)	(538)
Interest is recognised as it accrues in profit or loss using the effective interest method.				
3. OPERATING PROFIT				
Operating profit is stated after taking into account the following:				
Other operating income and dividend income				
Dividend income from associates (unlisted)			34 721	20 331
Management fees received	5 291	20 835		
Government grants	181 352	154 125		
Bad debts recovered	82	203		
Rent received	3 749	3 413		
Derivatives at fair value through profit or loss:				
- Fair value gain/(loss) - FECs	(77 097)	15 979		
Amortisation of financial guarantee obligation		23 217	49 570	15 784
Deferred profit released		2		2
Sundry income	98 019	83 374		
	211 396	301 148	84 291	36 117

¹ Comparative information has been represented for the classification of First Battery Industrial Operation and Dynamic Battery UK as discontinued operations (note 29).

² Capital items have been reclassified and represented separately.

	GROUP		COMPANY	
	2025	2024	2025	2024
	R'000	Represented ^{1 2} R'000	R'000	R'000
3. OPERATING PROFIT (continued)				
Expenses by nature				
Auditors' remuneration:				
- Audit fees and disbursements	26 068	17 685	5 221	911
- Non-audit assurance services	3 020	2 275		
- Non-audit non-assurance services	1 714	1 419		
Depreciation and amortisation (notes 7,8 and 9)	609 677	305 834		
Lease charges (note 7)	56 060	47 060		
Impairment (gain)/loss on financial assets (notes 10 and 13)		(18 137)		3 935
Reversal of bad debts	(23 355)			
Managerial, technical service and professional fees	88 257	108 773		
Foreign exchange losses/(gains)	(72 762)	30 142	(79)	(78)
Sales and marketing	59 799	44 059		
Transport and distribution costs	333 639	192 455		
Raw materials, consumables used and production overheads	11 970 905	8 052 085		
Insurance premiums	55 952	45 752		
Employee benefit expense	3 778 488	2 208 766	4 626	3 401
Administrative and other expenses	105 541	93 075	1 147	1 364
Total cost of sales, distribution expenses, administrative and other operating expenses	16 993 004	11 131 243	10 915	9 533
Capital items - expense/(income)				
Impairment of other intangible assets (Note 8)	6 988			
Impairment of Li-ion line (Note 7)		28 196		
Impairment of goodwill		52 569		
Loss/(profit) on disposal of property, plant and equipment	(4 636)	15 675		
Fair value remeasurement gains on existing interest - AutoZone ³	4 068			
Gain on bargain purchase (Note 30)	(50 335)	(194 959)		
Fair value remeasurement loss on existing interest(Note 30)	355 950			
	312 035	(98 519)		
Employee benefit expense				
Wages, salaries and directors' fees	3 492 628	1 949 644	4 626	3 401
Share-based payment expense/(reversal)	18 870	20 095		
Termination benefits	3 314	6 892		
Social security costs	126 239	114 393		
Pension costs - defined contribution plans (note 23.3)	130 960	112 629		
Post-employment medical aid benefits (note 23.1)	6 477	5 112		
	3 778 488	2 208 765	4 626	3 401
Number of persons employed by the group at the end of the year the year³				
Hourly	10 080	3 432		
Monthly	3 677	4 556		
	13 757	7 988		
Directors' emoluments				
Executive directors				
Salaries and allowances	18 199	21 034	18 199	21 034
Other benefits	1 509	589	1 509	589
	19 708	21 623	19 708	21 623
Paid by subsidiary companies	(19 708)	(21 623)	(19 708)	(21 623)
Non-executive directors	4 182	3 401	4 182	3 401
Fees	7 771	10 008	7 771	10 008
Paid by subsidiary companies	(3 589)	(6 607)	(3 589)	(6 607)

¹ Comparative information has been represented for the classification of First Battery Industrial Operation and Dynamic Battery UK as discontinued operation (note 29).

² Capital items have been reclassified and represented separately.

³ Fair value remeasurement gains relates to a subsidiary held by AutoZone. The subsidiary was previously not consolidated at fair value, as a result of the initial accounting not being complete on acquisition date. This was completed in the current period and corrected accordingly.

NOTES TO THE FINANCIAL STATEMENTS

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3. OPERATING PROFIT (continued) Directors' emoluments (continued)

	COMPANY					
	2025			2024		
	PS O'Flaherty ² R'000	A Jogia ³ R'000	A Walker ⁴ R'000	PS O'Flaherty ² R'000	A Jogia ³ R'000	S Douwenga ¹ R'000
Executive directors						
Salaries and allowances	7 475	2 215	2 211	6 925	6 145	2 497
Performance bonuses (based on previous year 2024 & 2023)	3 895	2 403			2 400	3 067
Pension and provident fund contributions		89	144		399	33
Company contributions	83	13	20	54	56	9
Leave Pay		149				
Other payments to employee		968				
Gain on the exercise of share options		43			38	
	11 453	5 880	2 375	6 979	9 038	5 606
Paid by subsidiary companies	(11 453)	(5 880)	(2 375)	(6 979)	(9 038)	(5 606)

	COMPANY					
	2025			2024		
	Net R'000	Fees R'000	Paid by subsidiary companies R'000	Net R'000	Fees R'000	Paid by subsidiary companies R'000
Non-executive directors						
TN Mgoduso	1 500	1 738	(238)	851	1 752	(901)
B Mawasha ⁵	335	691	(356)	425	1 577	(1 152)
PH Giliam	447	1 112	(665)	425	1 414	(989)
N Ketwa (Medupe)	447	966	(519)	425	1 344	(919)
NL Mkhondo	447	908	(461)	425	1 389	(964)
MN Muell	447	1 146	(699)	425	1 496	(1 071)
AK Sithebe	447	1 008	(561)	425	1 036	(611)
G Ashford ⁶	112	202	(90)			
	4 182	7 771	(3 589)	3 401	10 008	(6 607)

Information regarding share awards/share options granted to executive directors of Metair can be found in note 27.1.

¹ Mr Douwenga acted as CEO for three months from March 2023 to May 2023. He was appointed as permanent CEO from 31 May 2023 but resigned on 31 January 2024.

² Mr O'Flaherty was appointed as CEO from 1 February 2024.

³ Mr Jogia was appointed as acting CFO from 1 March 2023. He was appointed as permanent CFO from 31 May 2023 but resigned on 30 June 2025.

⁴ Mr A Walker was appointed as CFO from 1 July 2025.

⁵ Mr B Mawasha resigned effective October 2025.

⁶ Mr G Ashford was appointed effective October 2025.

	GROUP		COMPANY	
	2025	2024	2025	2024
	R'000	Represented ¹ R'000	R'000	R'000
4. TAXATION				
Normal taxation				(7)
Current:				
- Current year	158 000	159 156	1	6
- Adjustments in respect of the prior year	(7 923)	148		(13)
- Other taxes	2 100			
Deferred:				
- Current year	24 602	(18 755)		
- Adjustments in respect of the prior year	(9 236)	1 685		
Dividend withholding taxes	546	514		
	168 089	142 748	1	(7)
	%	%	%	%
Reconciliation of taxation rate:				
Standard rate - South Africa	(27.0)	27.0	27.0	27.0
Effect of change in taxation rate ²	2.9	5.3		
Associates' results net of taxation	(9.5)	(2.1)		
Prior year under provision	(13.6)	0.5		
- Current	(6.3)	0.1		
- Deferred	(7.3)	0.4		
Non-deductible expenses	35.7	13.1	(27.0)	(27.0)
- Non-deductible expenses for preference dividends		4.3		
- Non-deductible expenses for interest and fees	22.8	2.3		
- Non-deductible expenses on corporate and legal costs	5.1	2.9	13.8	11.0
- Non-deductible expenses on Li-ion line impairment		1.1		
- Non-deductible expenses on goodwill impairment		2.4		
- Non-deductible expenses on consolidation of subsidiaries				
- Other disallowable expenses for tax purposes	7.8	0.1		
Foreign dividend withholding/other taxes	1.0	(0.1)		
Taxation losses for which no deferred taxation asset was recognised	37.9	2.3		
Utilisation of previously unrecognised tax losses	26.9			
Loss on consolidation of subsidiary	75.7			
Other non taxable income	(6.6)	(2.6)	(40.8)	(38.0)
Research and development tax credits	(1.1)	(0.3)		
Learnership allowances	(1.7)	(0.4)		
Exempt income - bargain purchase	(10.8)	(12.8)		
Securities transfer tax	1.7			
Foreign tax rate difference	21.8	1.8		
Effective rate	133.3	31.7		
Corporate income tax rate ('CIT') substantially enacted, effective at 31 December and utilized for determining taxation is as follows:	2025	2024	2025	2024
	%	%	%	%
South Africa	27	27	27	27
Romania ²	16	16		
United Kingdom	19	19		

¹ Comparative information has been represented for the classification of First Battery Industrial division and Dynamic Battery UK as discontinued operations (note 29).

² The Romanian tax charge is based on the higher of 1% on turnover and 16% of taxable income. Rombat's tax charge is therefore R22 million, at an effective rate of 24% for the year.

Estimated assessed tax losses which can be carried forward into future years and set off against future taxable income amounted to R520 million (2024: R879 million). Although balances are not lost, utilisation of assessed losses are limited to 80% of taxable income in South Africa. The group did not recognise deferred tax assets of R104 million (2024: R134 million), related to a portion of tax losses, as the utilisation for set off is not probable.

The tax effects relating to items of other comprehensive income are disclosed in notes 16 and 28.

NOTES TO THE FINANCIAL STATEMENTS

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5.		GROUP	
		2025	2024 Represented ¹
	EARNINGS/(LOSS) PER SHARE		
	Basic loss per share represents the income in cents attributable to equity holders of the company, based on the group's attributable profit or loss from ordinary activities divided by the weighted average number of shares in issue during the year, excluding treasury shares.		
	Basic (loss)/earnings per share - group	(232)	(2 146)
	Basic (loss)/earnings per share - Continuing operations	(181)	155
	Headline (loss)/earnings per share represents the income in cents attributable to equity holders of the company, based on the group's attributable profit or loss from ordinary activities, adjusted as required by SAICA Circular 1/2023 and the JSE Limited, divided by the weighted average number of shares in issue during the year excluding treasury shares.		
	Basic headline (loss)/earnings per share - group	(67)	(203)
	Basic headline (loss)/earnings per share - Continuing operations	(21)	105
	Diluted earnings per share		
	Diluted (loss)/earnings per share (cents) - group	(230)	(2 117)
	Diluted headline (loss)/earnings per share (cents) - group	(66)	(201)
	Diluted (loss)/earnings per share (cents) - Continuing operations	(179)	153
	Diluted headline (loss)/earnings per share (cents) - Continuing operations	(21)	103

¹ Comparative information has been represented for the classification of First Battery Industrial division and Dynamic Battery UK as discontinued operations (note 29).

For the diluted earnings/(loss) per share calculation, the weighted average number of ordinary shares outstanding is adjusted to take into account all dilutive potential ordinary shares. The company has one category of potential dilutive ordinary shares: Share options. The number of shares taken into account is determined by taking the number of shares that could have been acquired at fair value based on the monetary value of the subscription rights attached to the outstanding share options and awards. This calculation is done to determine the 'purchased' shares to be added to the ordinary shares outstanding for the purpose of computing the dilution.

	GROUP			
	Earnings per share		Earnings per share	
Reconciliation between basic and headline earnings/(loss) (and cents per share)	2025 R'000	2025 cents	Represented ¹ 2024 R'000	Represented ¹ 2024 cents
Net (loss)/profit attributable to ordinary shareholders	(451 915)	(232)	(4 164 432)	(2 146)
Loss/(profit) on disposal of property, plant and equipment	(3 500)	(2)	14 666	8
Gross amount	(4 610)		15 689	
Taxation effect	1 110		(1 023)	
Impairment of property, plant and equipment and Intangible assets	15 337	8	36 874	19.0
Gross amount	16 124		36 874	
Taxation effect	(787)			
Loss on disposal of Mutlu			3 860 829	1 989
Gross amount			3 860 829	
Impairment of Goodwill			52 570	27
Gross amount			52 570	
Loss on consolidation of subsidiary	360 018	185		
Gross amount	360 018			
Gain from bargain purchase	(50 335)	(26)	(194 959)	(100)
Gross amount	(50 335)		(194 959)	
Headline (loss)/earnings	(130 395)	(67)	(394 452)	(203)
Weighted average number of shares in issue ('000)	194 567		194 094	

¹ Comparative information has been represented for the classification of First Battery Industrial division and Dynamic Battery UK as discontinued operations (note 29).

5. **EARNINGS/(LOSS) PER SHARE (continued)**

	GROUP			
	Earnings per share		Earnings per share	
Reconciliation between basic and headline earnings/(loss) (and cents per share) from continuing operations	2025 R'000	2025 cents	Represented' 2024 R'000	Represented' 2024 cents
Earnings per share				
Net profit attributable to ordinary shareholders from continuing operations	(353 031)	(179)	301 716	155
Loss/(profit) on disposal of property, plant and equipment	(3 526)	(2)	14 666	8
Gross amount	(4 636)		15 689	
Taxation effect	1 110		(1 023)	
Impairment of property, plant and equipment and intangible assets	6 202	3	28 196	15
Gross amount	6 989		28 196	
NCl effect	(787)			
Impairment of Goodwill			52 570	27
Gross amount			52 570	
Loss on consolidation of subsidiary	360 018	185	-	
Gross amount	360 018			
Gain from bargain purchase	(50 335)	(26)	(194 959)	(100)
Gross amount	(50 335)		(194 959)	
Headline earnings from continuing operations	(40 672)	(21)	202 189	105
Diluted earnings per share				
Net (loss)/profit attributable to ordinary shareholders	(451 915)	(230)	(4 164 432)	(2 117)
Net profit attributable to ordinary shareholders from continuing operations	(353 031)	(179)	301 716	153
Number of shares used for diluted earnings per share calculation ('000)	196 819		196 711	
Diluted headline earnings per share				
Headline (loss)/earnings from group	(130 395)	(66)	(394 452)	(201)
Headline earnings from continuing operations	(40 672)		202 189	103
Number of shares used for diluted earnings per share calculation ('000)	196 819		196 711	
Weighted average number of shares in issue ('000)	(194 567)		(194 094)	
Adjustment for dilutive share options ('000)	2 252		2 617	

¹ Comparative information has been represented for the classification of First Battery Industrial division and Dynamic Battery UK as discontinued operations (note 29).

	GROUP		COMPANY	
	2025 R'000	2024 R'000	2025 R'000	2024 R'000
DIVIDENDS				
No ordinary dividend was declared or paid in 2025 (2024: R Nil)				

NOTES TO THE FINANCIAL STATEMENTS

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	GROUP				
	Land and buildings ¹ R'000	Plant, machinery and equipment ¹ R'000	Vehicles and furniture fittings ² R'000	Right-of-use assets R'000	Total R'000
7. PROPERTY, PLANT AND EQUIPMENT					
2025					
At cost	1 230 939	5 089 736	368 302	923 231	7 612 208
Less: Accumulated depreciation and impairment	(349 955)	(2 770 176)	(273 965)	(646 687)	(4 040 783)
	880 984	2 319 560	94 337	276 544	3 571 425
2024					
At cost	885 956	4 129 711	258 274	628 385	5 902 326
Less: Accumulated depreciation and impairment	(273 887)	(2 246 484)	(165 332)	(513 279)	(3 198 982)
	612 069	1 883 227	92 942	115 106	2 703 344
Reconciliation of movement:					
Year ended 31 December 2025					
Opening net book value	612 069	1 883 227	92 942	115 106	2 703 344
Acquisition of subsidiary ⁴	284 292	371 870	24 557	78 138	758 857
Transfers ³	23 816	(33 147)	8 253	1 078	
Additions ⁶	6 074	445 810	5 398	208 235	665 517
Disposals	(163)	(25 647)	(202)	(1 521)	(27 533)
Assets held for sale ⁵		(1 617)			(1 617)
Depreciation	(40 994)	(302 819)	(36 062)	(118 456)	(498 331)
Impairment	(486)	(2 453)	(235)	(5 961)	(9 135)
Foreign currency translation	(3 624)	(15 664)	(314)	(75)	(19 677)
Closing net book value	880 984	2 319 560	94 337	276 544	3 571 425
Year ended 31 December 2024					
Opening net book value	1 505 595	2 339 298	159 622	73 743	4 078 258
Acquisition of subsidiary	20 147	3 929	35 709	80 061	139 846
Transfers ³	50 548	(57 749)	7 201		
Additions	17 478	417 146	14 102	35 078	483 804
Disposals	(6 176)	(20 793)	(662)	(8 081)	(35 712)
Disposal of operation	(1 119 132)	(556 020)	(93 378)	(23 872)	(1 792 402)
Depreciation	(35 815)	(288 450)	(47 094)	(48 847)	(420 206)
Impairment		(36 874)			(36 874)
Foreign currency translation	179 424	82 740	17 442	7 024	286 630
Closing net book value	612 069	1 883 227	92 942	115 106	2 703 344

¹ Includes assets under construction.

² The carrying value of vehicles is R23 million (2024: R26 million), the carrying value of furniture and fittings is R71 million (2024: R67million). The major reconciling items are acquisition of subsidiary, vehicles, R0.05million (2024: R16 million), furniture and fittings, R24million vehicles (2024: R19 million and depreciation vehicles, R6million (2024: R5 million), furniture and fittings R30million (2024: R42 million)

³ Transfers relate to assets under construction, completed and re-allocated.

⁴ The group obtained control over Hesto from April 2025 and therefore consolidated in accordance with IFRS 3. (Refer to note 30)

⁵ Assets held for sale constitutes of PPE and Inventory held by First Battery industrial division. These assets will be sold under a single transaction. The group resolved to sell these assets as part of the long term strategy to support growth. A binding sale agreement was signed on the 01 December 2025 and the sale is expected to be completed within 12 months. As at year-end, the carrying amounts of the assets approximate fair value less cost to sell. R46 million of the non-current asset held for sale relates to inventory.

⁶ Additions for the year includes non-cash additions R208m for Right of use assets and R66m of assets acquired through Instalment sales agreements

7. PROPERTY, PLANT AND EQUIPMENT (continued)

Current year impairment of R9 million relates to the discontinued operations, First Battery industrial division R1.8 million and Dynamic Battery R7.3 million. The recoverable amount of the assets was assessed with reference to the value in use. The carrying amounts were lower than the recoverable amounts of the assets given the closure of the operations. The PPE impacted constitutes plant and machinery, vehicles, furniture and fittings and land and buildings. The group resolve to close down these business as part of a long-term strategy for renewed growth and a focus on Africa and lack of demand for Industrial products, respectively. Refer to note 29"

The R37 million impairment raised in the prior year relates to the group's Li-ion line and is included in assets under construction. R28.2 million of the impairment relates to Rombat. The recoverable amount of the Lithium-ion line ('Li-ion') in Romania ('Rombat') was assessed with reference to its value in use by determining whether the investment aligned to future initiatives. Due to rapid changes in cell technology and chemistry, and with the long delays in commissioning, management fully impaired the line by R28.2 million. The remaining R8.6 million impairment relates to Mutlu who also invested in the Li-ion project.

Property, plant and equipment comprise of owned (including assets under construction) and leased assets. The group leases assets which include land and buildings, machinery, equipment and vehicles. A register of land and buildings is available at the registered offices of the subsidiaries owning the respective properties.

Property, plant and equipment amounting to R86.1 million (2024: R94.4 million) are encumbered as security by Rombat for bank overdraft facilities provided to Rombat.

Certain Property, Plant and Equipment of the group has been pledged as security for specific borrowing facilities. The security arrangements include cessions and notarial bonds over property, plant and equipment balances. The carrying amount of property, plant and equipment pledged as security amounts to R2 742 million (2024: NIL million).

Capital expenditure of R666 million (2024: R484 million) includes instalment sale and leases liabilities for R208 million (2024: R35 million).

Depreciation for total operations is allocated to cost of sales for R367.9 million (2024: R332.5 million); distribution costs for R6.5 million (2024: R15.3 million); and administrative expenses for R123.8 million (2024: R72.3 million) in the income statement. Depreciation from continuing operations amounted to R494.5 million (2024: R294.5 million).

NOTES TO THE FINANCIAL STATEMENTS

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7. PROPERTY, PLANT AND EQUIPMENT (continued)

Assets under construction are included as follows:

	GROUP	
	2025 R'000	2024 R'000
Land and buildings	68 819	36 079
Plant, machinery and equipment	430 456	310 735

Right of use assets, related to leases, are included as follows:

	GROUP	
	31 Dec 2025 R'000	31 Dec 2024 R'000
Land and buildings (Property)	230 313	86 932
Machinery, forklifts and factory equipment	36 962	21 246
Vehicles	9 269	6 927
	276 544	115 105

The group leases various assets under non-cancellable lease agreements, with lease terms ranging from 1 to 5 years. The net book value of the assets leased and capitalised amounted to R276.5 million (2024: R115.1 million) at balance sheet date. Lease liabilities are included within borrowings (refer to note 15).

Lease rentals amounting to R25.6 million (2024: R24.2 million) relating to property and R32.6 million (2024: R27 million) relating to equipment are included in the income statement. These leases are short term and/or leases of low value items and are not capitalised. Equipment comprises mainly of IT and administrative equipment.

The amounts recognised in profit and loss in respect of the group's leases are as follows:

	GROUP	
	2025 R'000	2024 R'000
Interest on lease liabilities (included in finance costs)	32 689	12 608
Expenses relating to short term leases	54 676	47 790
Expenses relating to leases of low value assets that are not short term leases	3 496	3 455
Depreciation charges on right of use assets:		
- Property	102 979	21 705
- Machinery, forklifts and equipment	11 041	8 326
- Vehicles	4 436	18 816

Summary of the group's leasing activities:

The group leases forklifts, vehicles, equipment and machinery for operational requirements. Rental or lease contracts range from 1 to 5 years. Lease terms are negotiated on an individual basis and contain different terms and conditions, but are generally standard in nature and generally does not contain extension or termination options. The lease arrangements generally do not contain any covenants or restrictions, but leased assets may not be used as security for borrowing purposes.

AutoZone leases several buildings for the use by their branches.

Lease terms are negotiated on an individual basis and contain a wide range of terms and conditions. The average lease term is typically 3 years. Annual lease payments range from R192 693 to R11.7 million.

Generally lease rights are recognised as an asset with a corresponding liability at the date at which the leased asset is available for use by the group. Right of use assets are depreciated. Lease payments are allocated between the liability (capital obligation) and finance costs. The lease liabilities are included within borrowings (refer to note 14).

	GROUP						
	Goodwill R'000	Trade- marks R'000	Licences R'000	Brands R'000	Customer relation- ship R'000	Computer software Research & develop- ment costs R'000	Total R'000
8. INTANGIBLE ASSETS							
2025							
At cost ¹	73 941	48 114	325 922	11 795	185 968	467 141	1 112 881
Less: Accumulated amortisation and impairment	(73 941)	(44 303)	(207 656)	(8 346)	(19 314)	(171 920)	(525 480)
		3 811	118 266	3 449	166 654	295 221	587 401
2024							
At cost ¹	70 067	49 708	21 688	11 795	5 802	36 415	195 475
Less: Accumulated amortisation and impairment	(70 067)	(42 522)	(17 297)	(7 874)	(5 802)	(23 696)	(167 258)
		7 186	4 391	3 921		12 719	28 217
Reconciliation of movement:							
Year ended 31 December 2025							
Opening net book value		7 186	4 391	3 921		12 719	28 217
Acquisition of subsidiary ²	5 181		135 862		180 166	240 401	561 610
Additions			15 531			84 053	99 584
Disposals						(173)	(173)
Amortisation		(3 296)	(37 518)	(472)	(13 512)	(39 715)	(94 513)
Foreign currency translation		(79)				(257)	(336)
Impairment charge ²	(5 181)					(1 807)	(6 988)
Closing net book value		3 811	118 266	3 449	166 654	295 221	587 401
Year ended 31 December 2024							
Opening net book value	607 611	25 390	21 445	378 006	73 901	60 618	1 166 971
Additions			234			16 813	17 047
Disposals						(5)	(5)
Amortisation		(3 270)	(6 172)	(5 913)	(16 402)	(18 652)	(50 409)
Disposal of operation	(682 492)	(17 403)	(14 194)	(440 709)	(71 847)	(56 483)	(1 283 128)
Foreign currency translation	127 451	2 469	3 078	72 537	14 348	10 428	230 311
Impairment charge	(52 570)						(52 570)
Closing net book value		7 186	4 391	3 921		12 719	28 217

¹ Movement in Goodwill results from foreign change difference on Rombat Goodwill

² This relates to the goodwill acquired in the prior year from the AutoZone business acquisition, this was erroneously not recognised in the prior year and has been corrected in the current year. The goodwill acquired has been fully impaired and therefore does not have an impact in the statement of financial position.

General

Goodwill, trademarks, brands and customer relationships are allocated to their respective underlying cash-generating units ("CGUs"). The respective businesses acquired are defined as the underlying CGUs which support the valuation of the goodwill, trademarks, brands and customer relationships.

Defined life intangible assets are carried at cost less accumulated amortisation and impairment. Amortisation is calculated using the straight-line method to allocate the costs of these assets over their useful lives. Trademarks, brands and customer relationships are amortised over periods ranging from 5 to 25 years. There are no restrictions on title. Amortisation on finite intangible assets of R76 million (2024: R27.8 million) is included within cost of sales and R19 million (2024: R22.6 million) within administration expenses in the income statement.

NOTES TO THE FINANCIAL STATEMENTS

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8. INTANGIBLE ASSETS (continued)

Goodwill and indefinite life intangible assets are allocated to the following CGUs:

	Opening net book value R'000	Hyperinflation current year impact R'000	Foreign Currency translation R'000	Impairment R'000	Disposal of Mutlu group R'000	Closing net book value R'000
2025						
Goodwill						
- Rombat SA						
- Mutlu						
Brands						
- Mutlu						
<hr/>						
2024						
Goodwill						
- Rombat SA	53 758		(1 188)	(52 570)		
- Mutlu	553 853	237 828	(109 189)		(682 492)	
Brands						
- Mutlu	253 764	234 105	(47 160)		(440 709)	
	861 375	471 933	(157 537)	(52 570)	(1 123 201)	

Goodwill sensitivity analysis

The group Goodwill amounted to Nil and therefore, a sensitivity analysis is not applicable.

		GROUP Total R'000
9.	COST TO FULFILL A CONTRACT	
	2025	
	At cost	187 532
	Less: Accumulated amortisation and impairment	(53 204)
		134 328
	2024	
	At cost	
	Less: Accumulated amortisation and impairment	
	Reconciliation of movement:	
	Year ended 31 December 2025	
	Opening net book value	
	Acquisition of subsidiary	155 120
	Amortisation ¹	(20 792)
	Closing net book value	134 328
	Year ended 31 December 2024	
	Opening net book value	
	Acquisition of subsidiary	
	Closing net book value	

Cost to fulfil a contract relates to long-term OEM business contracts. The costs incurred directly relate to contracts which generate resources used in satisfying performance obligations in future and are expected to be recovered. They are therefore recognised as cost to fulfil a contract per IFRS 15. The assets are amortised on straight-line basis over the term of the specific contract consistent with the transfer to the customer of the goods to which the asset relates.

¹ Amortisation of R20 million is included under cost of sales.

Split between non-current and current

	GROUP	
	R'000	2024 R'000
COST TO FULFILL A CONTRACT		
Split between non-current and current		
Non-current assets	111 741	
Current assets	22 587	
	134 328	

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	COMPANY	
	2025 R'000	2024 R'000
10. INTEREST IN SUBSIDIARIES		
Unlisted		
Investments at cost	507 417	493 695
Investment arising from revaluation of financial guarantee liability	687	687
Share-based payment costs	76 337	75 757
	584 441	570 139
Advances to subsidiary companies, net of impairments	1 796 233	1 787 871
Current advances from subsidiary companies	(372 840)	(397 264)
	1 423 393	1 390 607
Total net investment interest	2 007 834	1 960 746

Advances to subsidiary companies are interest-free, unsecured, repayable on demand, to be settled in cash and presented net of impairment allowances. The gross carrying amount of loans advanced, which represent the maximum exposure to loss, is R1 982 084 516 (2024: R1 982 084 316).

The total expected credit loss provision amounted to R185 850 431 (2024: R194 212 831) (refer to note 20.2 B financial instruments - credit risk). Loans receivable are classified within a "held-to-collect" business model as the company holds the loans with the objective to collect the contractual cash flows which solely relates to payments of the principal amount and classified at amortised cost.

The expected credit loss (ECL) on the loan receivable decreased by R8.36mil during the year. This is due to a reduction in the probability of default (PD) assumptions applied in the ECL model.

The PD inputs are based on external credit risk indicators and benchmark data, including industry default statistics published by Moody's Investor Services, S&P Global Ratings, and implied default probabilities from world government bonds. During the current year, these benchmark PD rates declined compared to the prior year (Moody's automotive sector PD decreased to 0.5% from 0.9% and the implied world government bond PD decreased to 2.24% from 3.24%).

The reduction in these forward-looking credit risk indicators resulted in a lower calculated ECL.

	COMPANY	
	2025 R'000	2024 R'000
Gross amounts owing by/(to) subsidiaries consists of the following:		
Inalex (Pty) Ltd	1 814 634	1 814 634
Automould (Pty) Ltd	167 451	167 451
Metair Management Services (Pty) Ltd	(99 020)	(128 319)
Business Venture Investments 1217 (Pty) Ltd	(273 820)	(268 946)
	1 609 245	1 584 820

The interest of Metair in the aggregate after tax income/(loss) of the subsidiaries was as follows, which includes continued and discontinued operations:

	GROUP	
	2025 R'000	2024 R'000
Subsidiaries that generated net income	1 658 931	629 991
Subsidiaries that generated net losses	(939 662)	(4 203 219)

Details of subsidiaries of the group are disclosed at the end of the audited financial statements. The group structure is available as a supplementary schedule in the integrated annual report.

10. INTEREST IN SUBSIDIARIES (continued)

All subsidiary undertakings are included in the group consolidation. Total non-controlling interest is R47.9 million (2024: R103.1 million) of which is mainly made up of R123.1 million profit (2024: R99.5 million) for Smiths Manufacturing and R76 million loss relates to Hesto Harnesses.

Smiths Manufacturing is situated in South Africa and is a conventional manufacturing company producing automotive products such as climate control and air-conditioning systems predominantly for the OE sector. Management has assessed the level of influence that the group is able to exercise over Smiths Manufacturing and it has control over the company due to its voting and similar rights as well as the ability to direct the relevant activities.

Hesto Harnesses manufactures and sells automotive wiring harnesses and related components in South Africa. Hesto is a specialist automotive component manufacturer which provides the group with additional OE product offerings as well being a local product differentiator. Hesto is held 74.9% by Metair and 25.1% is held by our technical wire harness partner ("Technical Partner"). Hesto was equity accounted until 31 March 2025. The Shareholder's Agreement with the Technical Partner was clarified and resulted in Metair gaining control over the company.

Summarised financial information on subsidiaries with material non-controlling interests

Set out below are the summarised financial information, prepared in accordance with IFRS, for Smiths Manufacturing (75% held) and Hesto Harnesses (74.9% held) that have a non-controlling interest material to the group. The amounts disclosed are based on those included in the consolidated financial statements before inter-company eliminations.

	GROUP	
	2025 R'000	2024 R'000
Smiths Manufacturing		
Summarised balance sheet		
Non-controlling interest %	25	25
Current		
Assets	720 202	640 119
Liabilities	(417 452)	(443 847)
Total net current assets	302 750	196 272
Non-current		
Assets	341 535	353 093
Liabilities	(138 746)	(137 178)
Total net non-current assets	202 789	215 915
Net assets	505 539	412 187
Summarised results		
Revenue	2 282 137	2 099 715
Other comprehensive income/(loss)	(2 370)	73
Profit attributable to non-controlling interest	23 996	10 230
Total comprehensive income allocated to non-controlling interest	23 404	10 248
Dividends paid to non-controlling interest		34 079
Accumulated non-controlling interest	123 136	99 477
Summarised cash flow		
Net cash inflow/(outflow) from operating activities	279 228	(768)
Net cash outflow from investing activities	(21 872)	(31 486)
Net cash outflow from financing activities	(2 579)	(2 383)

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10. INTEREST IN SUBSIDIARIES (continued)

Summarised financial information on subsidiaries with material non-controlling interests

Set out below are the summarised financial information, prepared in accordance with IFRS, for Hesto Harnesses (74.9% held) that has a non-controlling interest material to the group. The amounts disclosed are based on those included in the consolidated financial statements before inter-company eliminations.

Hesto	GROUP	
	2025 R'000	2024 R'000
Summarised balance sheet		
Non-controlling interest %	25.1	
Current		
Assets	2 115 153	
Liabilities	(1 477 050)	
Total net current assets	638 103	
Non-current		
Assets	1 810 320	
Liabilities	(2 878 202)	
Total net non-current assets	(1 067 882)	
Net assets	(429 779)	
Summarised results		
Revenue	5 959 408	
Other comprehensive income/(loss)		
Profit attributable to non-controlling interest	36 759	
Total comprehensive income allocated to non-controlling interest	36 759	
Dividends paid to non-controlling interest		
Accumulated non-controlling interest	(76 935)	
Summarised cash flow		
Net cash (outflow)/inflow from operating activities	(676 906)	
Net cash (outflow)/inflow from investing activities	(139 881)	
Net cash outflow from financing activities	992 439	

	GROUP		COMPANY	
	2025 R'000	2024 R'000	2025 R'000	2024 R'000
11. INVESTMENT IN ASSOCIATES				
Unlisted				
Investments at cost less impairment	177 064	187 168		
Share of post-acquisition reserves included in equity accounted earnings	124 208	138 716		
Acquisition/(disposal) of associates*	181			
Income from associates in current year less dividends	(857)	1 480		
In respect of foreign currency translation	(23 935)			
Total carrying value	301 272	325 884		
Reconciliation of movements:				
Balance at the beginning of the year	325 884	289 982		
Acquisition/(disposal) of associates*	181			
Repayment of capital				
Share of equity accounted profit / (losses).	44 185	31 743		
Dividends received	(45 043)	(30 264)		
Investment arising from revaluation of financial guarantee liability				13 723
Foreign currency translation	(23 935)	34 423		
Investment in associates	301 272	325 884		13 723

*The group has consolidated Hesto from 1 April 2025 in accordance with IFRS 3. The Carrying value of the Investment in Hesto was zero. Difference between the carrying amount of the associate and the fair value of the investment is recognised in profit or loss. Refer to note 30. R181 000 relates to an Investment in Associate (GroupAuto) held by AutoZone.

Associates have share capital consisting of ordinary shares and subscribed capital held by the group. The principal place of business are identical to the country of their incorporation and the proportion of ownership is the same as voting rights held. The group's associates are private entities and operate in the automotive component industry, manufacturing automotive parts and batteries. Valeo Systems SA and Tenneco Automotive Holdings SA are held directly by the company.

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11. INVESTMENT IN ASSOCIATES (continued)

Set out in the table below is a summary of associates which are included in group results using the equity accounting method.

Nature of investment in associates	Percentage holding (effective) %	Place of business/ country of incorporation	Group carrying amount R'000
2025			
Unlisted			
Valeo Systems SA (Pty) Ltd	49.0	South Africa	
Tenneco Automotive Holdings SA (Pty) Ltd	25.1	South Africa	38 771
Associated Battery Manufacturers (East Africa) Limited ('ABM')	25.0	Kenya	256 587
Denso Sales South Africa (Pty) Ltd	49.0	South Africa	5 733
MOLL	25.1	Germany	
Vizirama 12 (Pty) Ltd	33.0	South Africa	
Eye2square Innovations (Pty) Ltd	20.0	South Africa	
Group-Auto Pty Ltd	10.0	South Africa	181
			301 272
2024			
Unlisted			
Hesto Harnesses (Pty) Ltd	74.9	South Africa	
Valeo Systems SA (Pty) Ltd	49.0	South Africa	
Tenneco Automotive Holdings SA (Pty) Ltd	25.1	South Africa	63 554
Associated Battery Manufacturers (East Africa) Limited	25.0	Kenya	259 559
Denso Sales South Africa (Pty) Ltd	49.0	South Africa	2 771
MOLL	25.1	Germany	
Vizirama 12 (Pty) Ltd	33.0	South Africa	
Eye2square Innovations (Pty) Ltd	20.0	South Africa	
			325 884

ABM owns the Chloride and Exide brands for the Kenyan as well as Tanzanian and Ugandan markets. The ABM group is purely aftermarket and represents significant potential for synergies and technology transfer in maintenance free batteries for automotive and lithium batteries for solar.

11. **INVESTMENT IN ASSOCIATES (continued)**

Summarised financial information for associates

Set out below is the summarised financial information for the associates, which are accounted for using the equity method:

	2025	
	ABM R'000	Other associates R'000
Summarised income statements		
Revenue	1 922 364	1 665 863
Profit after taxation	98 424	51 318
Total comprehensive income	98 424	51 318
Attributable to group	24 606	15 680
Dividends received from associates	(3 478)	(41 399)
Profit post foreign earnings currency translation	(23 409)	
Summarised balance sheets		
Current		
Assets	748 936	800 975
Liabilities*	(151 285)	(423 215)
Non-current		
Assets	315 437	323 028
Liabilities	(90 153)	(344 014)
Net assets	822 935	356 774

* Including subordinated shareholder loans.

	2024		
	Hesto R'000	ABM R'000	Other associates R'000
Summarised income statements			
Revenue	5 504 344	1 821 913	1 798 883
(Loss)/profit after taxation	91 305	44 656	88 582
Total comprehensive (loss)/income	91 305	44 656	88 582
Attributable to group	68 387	11 164	30 177
Dividends received from associates		(3 425)	(26 661)
Profit post foreign earnings currency translation		34 281	
Summarised balance sheets			
Current			
Assets	1 966 709	746 592	902 221
Liabilities*	(3 987 486)	(193 013)	(488 354)
Non-current			
Assets	1 638 739	381 450	331 309
Liabilities	(205 693)	(82 491)	(387 883)
Net assets	(587 731)	852 538	357 293

* Including subordinated shareholder loans.

The information above reflects the amounts presented in the financial statements of the associates (and not the group's share of those amounts) adjusted for differences in accounting policies between the group and the associates.

The statutory financial year-end of ABM is the end of March; however, the results presented are at 31 December and equity accounted up to this date.

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11. INVESTMENT IN ASSOCIATES (continued)

Reconciliation of summarised financial information

Reconciliation of summarised financial information of associates is presented in the table below:

	2025	
	ABM R'000	Other associates R'000
Opening net (liabilities)/assets 1 January	852 538	336 556
(Loss)/profit for the year	98 424	51 318
Dividends paid	(13 830)	(151 960)
Foreign currency translation and other movements	(114 197)	120 860
Closing net (liabilities)/assets	822 935	356 774
Shareholding	25.0%	Varying
Acquisition cost less accumulated impairment	177 343	8 246
Post equity accounted (losses)/profits	73 142	42 541
Carrying amount	250 485	50 787

*Hesto, previously accounted for as an associate, became a subsidiary as of 1 April 2025.

	2024		
	Hesto R'000	ABM R'000	Other associates R'000
Opening net (liabilities)/assets 1 January	(612 921)	650 177	341 816
(Loss)/profit for the year	91 305	44 656	88 582
Dividends paid		(13 700)	(93 842)
Foreign currency translation and other movements		171 405	
Closing net (liabilities)/assets	(521 616)	852 538	336 556
Shareholding	74.9%	25.0%	Varying
Acquisition cost less accumulated impairment	1	118 272	
Investment arising from initial recognition of financial guarantee liability	21 732		
Post equity accounted profits	(21 733)	141 289	66 323
Carrying amount		259 561	66 323

	GROUP		COMPANY	
	2025 R'000	2024 R'000	2025 R'000	2024 R'000
12. INVENTORY				
Raw material	1 402 200	807 746		
Work in progress	275 263	203 557		
Finished goods	1 026 125	1 084 373		
Right to recover returned goods	10 113	9 793		
	2 713 701	2 105 469		
Write-downs of inventories to net realisable value	183 218	151 098		
The cost of inventories expensed and included in cost of sales	13 014 377	11 952 141		
Continuing operations	12 724 453	8 779 203		
Discontinued operations	289 924	3 172 938		
Inventory pledged by Rombat for bank overdrafts	166 361	197 538		

Certain inventory and work in progress, related to automotive components, are recognised as contract assets due to revenue being recognised over time. An asset for the right to recover returned goods is recognised for batteries sold under certain distributor arrangements.

Certain inventory of the group have been pledged as security for specific borrowing facilities. The security arrangements include cessions and notarial bonds over inventory balances. The carrying amount of inventory pledged as security amounts to R2 293 million (2024: NIL million).

	GROUP		COMPANY	
	2025 R'000	2024 R'000	2025 R'000	2024 R'000
13. TRADE AND OTHER RECEIVABLES				
Trade receivables	1 357 048	1 055 033		33
Less: Provision for impairment of trade receivables	(69 233)	(88 394)		
	1 287 815	966 639		33
Prepayments and deposits	137 537	104 014		
Tooling receivables	332 967	222 214		
Insurance proceeds and claims receivable	7 341			
Grant claim receivable	700	3 904		
VAT and customs receivable	15 072	41 656		
Rebates and discounts receivable	136 078	128 922		
Related party receivables (Hesto)		116 997		
Other receivables	121 735	131 543		
	2 039 245	1 715 889		33
Gross trade receivables are analysed as follows:				
Original equipment	644 748	396 756		
Exports	203 641	256 820		
Aftermarket	482 603	371 799		
Non-automotive	26 056	29 658		33
	1 357 048	1 055 033		33

Certain Trade and other Receivables of the group have been pledged as security for specific borrowing facilities. The security arrangements include cessions and notarial bonds over trade and other receivables equipment balances. The carrying amount of trade and other receivables pledged as security amounts to R1 054 million (2024: NIL million).

Other receivables consist of claims and refund R40 million (2024: R52 million), R9 million (2024: R10 million) mainly supplier loans and R19 million (2024: R1.8 million) sundry debtors, treasury interest and prepaid expenses.

The carrying amounts of the group's trade and other receivables are denominated in the following currencies:

	GROUP		COMPANY	
	2025 R'000	2024 R'000	2025 R'000	2024 R'000
Rand	1 792 959	1 401 897		33
British Pound	2 227	22 662		
Euro	122 194	175 070		
US Dollar	10 121	14 816		
Australian Dollar		5		
Romanian Lei	99 147	101 439		
Swiss Franc	10 136			
Singapore Dollar	2 461			
	2 039 245	1 715 889		33

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13. TRADE AND OTHER RECEIVABLES (continued)

The provision for impairment (loss allowance) can be reconciled as follows:

	Total R'000	Original equip- ment R'000	Export R'000	After- market R'000	Non- auto- motive R'000
2025					
At 1 January	88 394	7 878	35 334	27 481	17 701
Net remeasurement of loss allowance	(3 633)	(1 569)	2 775	4 644	(9 483)
Amounts written off	(14 179)	(6 172)	(6 319)	(1 501)	(187)
Currency adjustments	(1 349)		(814)	(535)	
As at 31 December	69 233	137	30 976	30 089	8 031
2024					
At 1 January	115 013	7 555	35 293	21 670	50 495
Acquisition of subsidiary	3 780		164	3 616	
Net remeasurement of loss allowance	(25 037)	323	1 340	3 864	(30 564)
Amounts written off	(3 711)		(551)	(930)	(2 230)
Disposal of operation	(116)			(116)	
Currency adjustments	(1 535)		(912)	(623)	
As at 31 December	88 394	7 878	35 334	27 481	17 701

An ageing profile of trade receivables, from a customer market perspective, is presented below:

	Total R'000	Original equip- ment R'000	Export R'000	After- market R'000	Non- auto- motive R'000
2025					
Up to 3 months	1 183 508	604 947	170 469	395 498	12 594
3 to 6 months	54 606	5 295	2 156	46 278	877
Over 6 months	118 936	34 508	31 016	40 827	12 585
	1 357 050	644 750	203 641	482 603	26 056
2024					
Up to 3 months	962 684	371 294	224 011	343 183	24 196
3 to 6 months	10 742	6 077	2 272	1 293	1 100
Over 6 months	81 607	19 384	30 538	27 323	4 362
	1 055 033	396 755	256 821	371 799	29 658

The other classes within trade and other receivables do not contain impaired assets and are of insignificant credit risk. The maximum exposure to credit risk at the reporting date is the fair value of each class of receivable mentioned above.

Receivables are classified within a "held-to-collect" business model since the group holds the trade receivables with the objective to collect the contractual cash flows and therefore measured at amortised cost. Trade receivables are recognised initially at the amount of consideration that is unconditional. Information about the group's exposure to credit risk, the impairment policies and loss allowance model for trade receivables can be found in note 20.2B.

Trade receivables of R94.9 million (2024: R133.8 million), relating to Rombat and ATE, have been pledged as security for bank overdraft facilities granted.

	GROUP		COMPANY	
	2025 R'000	2024 R'000	2025 R'000	2024 R'000
14. CASH AND CASH EQUIVALENTS				
For the purposes of the cash flow statement, cash and cash equivalents consist of the following:				
Cash at bank and on hand	1 300 230	1 172 510	1 610	1 455
Bank overdrafts	(88 072)	(364 151)		
	1 212 158	808 359	1 610	1 455
The following interest rates applied at year-end:				
South African short-term bank deposits	7.4%	8.1%		
Turkish short-term bank deposits		46.9%		
European short-term bank deposits	0.3%	0.3%		
South African bank overdrafts	10.1%	10.7%		
European bank overdrafts	6.7%	8.6%		

Rombat's bank overdraft facilities are secured through the following pledged securities: property, plant and equipment of R86 million (2024: R94.4 million); inventory of R166 million (2024: R197.5 million); and trade receivables of R94.9 million (2024: R133.8 million).

	GROUP		COMPANY	
	2025 R'000	2024 R'000	2025 R'000	2024 R'000
15.1 BORROWINGS AND FINANCIAL LIABILITIES				
Bank borrowings	4 660 658	3 178 965		
Instalment sale liabilities	137 583	192 872		
Lease liabilities	318 565	142 903		
Total borrowings	5 116 806	3 514 740		
Financial guarantee liabilities		21 731		47 982
Total borrowings and financial liabilities	5 116 806	3 536 471		47 982
Current portion of borrowings and financial liabilities	379 609	3 279 114		47 982
Non-current portion of borrowings and financial liabilities	4 737 197	257 357		
Total borrowings and financial liabilities	5 116 806	3 536 471		47 982

	GROUP		COMPANY	
	2025 R'000	2024 R'000	2025 R'000	2024 R'000
15.2 LOAN FROM MINORITY SHAREHOLDER				
Loan from minority shareholder	333 925			
	333 925			

Hesto borrowings includes a loan from its 25.1% minority shareholder, Yazaki Corporation. Refer to note 30.2

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15. BORROWINGS AND FINANCIAL LIABILITIES (continued)

Debt Summary - SA Obligor

In terms of the Capital Restructure concluded during 2025, the group's lenders refinanced Metair's existing gross debt through two separate funding packages:

* SA Obligor (South African subsidiaries, excluding Hesto): Total facilities of R3 300 million were implemented, comprising: R1 700 million senior amortising term debt; R850 million senior bullet term debt; and R1 600 million senior subordinated facility, repayable by 30 June 2027.

* Hesto Obligor (Hesto only): Facilities of R1 372 million were raised to refinance existing facilities of R475 million and to settle the disproportionate shareholder loan advanced to Hesto by its minority shareholder, Yazaki Corporation.

The Capital Restructure establishes a repayment profile aligned to the group's projected earnings growth and cash flow generation over a five-year period.

Management continues to actively monitor debt levels, liquidity and covenant compliance, with a stated objective of reducing leverage and achieving a sustainable capital structure over the medium term.

In addition, the group is implementing initiatives to support de-gearing and enhance earnings and cash generation, including strengthened cash management processes and the introduction of a centralised treasury function.

	Current R'000	Original Tenure	Maturity	Comment
Term Loan - Bullet (TLB)	850 000	5 years	April 2030	
Term Loan - Amortising (TLD)	850 000	5 years	April 2030	12-month capital holiday (from inception)
Term Loans	1 700 000			
Senior Subordinated Facility	1 600 000		30 June 2027	
	3 300 000			

Debt Summary - Hesto Obligor

	Current R'000	Original Tenure	Maturity	Comment
Term Loan - Amortising (TLA)	675 180	5 years	June 2030	12-month capital holiday (from inception)
Term Loan - Bullet (TLB)	651 000	5 years	June 2030	
	1 326 180			

Key terms - Hesto Obligor

Term	Base Interest	Margin Based on Net Debt: EBITDA	Covenants (Measurement Date: 31 March, 30 June, 30 September and 31 December)
TLA	3-month JIBAR plus margin	<ul style="list-style-type: none"> >3.00x 3.36% Between 2.5x and 3.00x: 2.50% Between 2.00x and 2.50x: 2.25% <2.00x 2.00% 	<ul style="list-style-type: none"> Debt Service Cover Ratio >1.2x EBITDA to Interest Cover Ratio > 3.00x for each Measurement Date during 2025 and 2026 and 3.50x for each Measurement Date thereafter.
TLB	3-month JIBAR plus margin	<ul style="list-style-type: none"> >3.00x 3.55% Between 2.5x and 3.00x: 2.75% Between 2.00x and 2.50x: 2.50% <2.00x 2.25% 	<ul style="list-style-type: none"> Net Debt to EBITDA <2.5x

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15. BORROWINGS AND FINANCIAL LIABILITIES (continued) Bank borrowings (continued)

Term and call loans arises in Rombat for R41 million (2024: R89 million).

Rombat - Euro and Romanian Lei borrowings:

Consists of Euro denominated loans for an aggregate sum of EUR2.03 million (2024: EUR3.96 million). Loan 1 amounting to EUR0.8 million (2024: EUR2.3 million) is a fixed interest rate loan with interest charged at 1.4% per annum, maturing in June 2026. Capital repayments approximate EUR0.8 million (R15 million) per annum. Loan 2 for EUR1.26 million (R24 million) (2024: EUR1.67 million) matures in October 2028 with interest charged at EURIBOR + 1.1% per annum. Repayments approximate EUR0.44 million (R8.5million) (2024: EUR0.44 million) per annum. Romanian Lei loans for NIL million (2024: Lei 2.9 million) was fully paid in January 2025. Loans are secured over property, plant and equipment, amounting to EUR3.5 million (2024: EUR8.9 million).

	GROUP		COMPANY	
	2025 R'000	2024 R'000	2025 R'000	2024 R'000
Maturity of bank borrowings and preference shares				
Within 1 year	196 461	3 132 587		47 982
Later than 1 year and not later than 2 years	1 925 217	27 436		
Later than 2 year and not later than 5 years	2 538 980	18 942		
	4 660 658	3 178 965		47 982
The carrying amount of total borrowings are denominated in the following currencies:				
Rand	5 075 770	3 425 648		47 982
US Dollar	333 925			
Euro	41 036	77 556		
Romanian Lei		11 535		
	5 450 731	3 514 739		47 982

As at 31 December 2025, the Group has undrawn and available working capital facilities of R712 million (2024: R880 million), designated for its South African subsidiaries only. These credit facilities are renewable annually, with further detail presented in note 31.

Instalment sale liabilities

Assets acquired by instalment sale agreements are paid over an agreed time period. Assets are effectively purchased up front but the title of the asset passes automatically, once the full amount has been paid. Payment obligations are secured as the rights to the asset revert to the financier in the event of default. Instalment sale agreements are secured over vehicles and machinery with a book value of R54.3 million (2024: R209.8 million).

15. **BORROWINGS AND FINANCIAL LIABILITIES (continued)**
Bank borrowings (continued)
Financial liabilities

	GROUP		COMPANY	
	2025 R'000	2024 R'000	2025 R'000	2024 R'000
Instalment sale liabilities - minimum payments:				
Within 1 year	72 454	73 274		
Later than 1 year and not later than 5 years	81 179	155 259		
Minimum instalments	153 633	228 533		
Future finance charges	(16 050)	(35 662)		
Present value of liabilities	137 583	192 871		
The present value of all instalment sale liabilities may be analysed as follows:				
Within 1 year	61 471	55 017		
Later than 1 years and not later than 2 years	60 654	137 855		
Later than 2 years and not later than 5 years	15 458			
Present value of liabilities	137 583	192 872		
Lease liabilities				
Lease liabilities are effectively secured as the rights to the leased revert to the lessor in the event of default.				
Gross lease liabilities - minimum lease payments:				
Within 1 year	137 515	79 554		
Later than 1 year and not later than 5 years	216 930	80 708		
Minimum lease payments	354 445	160 262		
Future finance charges on leases	(35 880)	(17 359)		
Present value of lease liabilities	318 565	142 903		
The present value of all lease liabilities may be analysed as follows:				
Within 1 year	121 678	69 778		
Later than 1 years and not later than 2 years	69 437	58 060		
Later than 2 years and not later than 5 years	127 450	15 065		
	318 565	142 903		
All borrowings are interest-bearing and the approximate annual interest rates at year-end are as follows:				
Bank borrowings	%	%		
- Bridging facility		*JIBAR+2%		
- Term, call and revolver loans (TL borrowings)		13.5 - 51.0		
- Term loan (Euro borrowings)	1.4	1.4		
- Term loan (Romanian Lei borrowings)	**ROBOR+1.1	**ROBOR+1.1		
Instalment sale liabilities	4.9 - 11.75	4.9 - 11.75		
Lease liabilities	6.4 - 12	6.4 - 12		

** Romanian interbank offered rate.

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	GROUP		COMPANY	
	2025 R'000	2024 R'000	2025 R'000	2024 R'000
16. DEFERRED TAXATION				
Deferred taxation is calculated on all temporary differences under the liability method using a principal taxation rate of 27% (2024: 27%) for South Africa, 16% (2024: 16%) for Romania, The following amounts are shown in the consolidated balance sheet:				
Deferred taxation assets	(962 876)	(93 472)		
Deferred taxation liabilities	762 000	167 649		
	(200 876)	74 177		
The movement is as follows:				
At the beginning of the year	74 177	277 434		
Acquisition of subsidiary	(301 544)			
Disposal of operation		(52 733)		
Income statement (credit)/charge:				
- Current year	30 492	(184 702)		
- Prior year reallocation	(9 236)	1 685		
Taxation credited to other comprehensive income:				
- Actuarial losses	923	(5 694)		
- Cash flow hedges	(2 558)			
Taxation charged/(credit) to equity:				
- Share-based payments	7 608	2 770		
Foreign currency translation	(738)	35 417		
At the end of the year	(200 876)	74 177		
Deferred taxation assets:				
Deferred taxation asset to be recovered after more than 12 months	(973 057)	(278 335)		
Deferred taxation asset to be recovered within 12 months	(57 492)	(14 361)		
	(1 030 549)	(292 696)		
Deferred taxation liabilities:				
Deferred taxation liability due after more than 12 months	762 572	294 195		
Deferred taxation liability due within 12 months	67 101	72 678		
	829 673	366 873		
Amounts aggregated:				
Deferred taxation assets	(1 030 548)	(292 696)		
Deferred taxation liabilities	829 672	366 873		
Net deferred taxation (asset)/ liability	(200 876)	74 177		

16. DEFERRED TAXATION (continued)

Deferred taxation liabilities

	GROUP			
	Plant and equipment R'000	Intangibles R'000	Claims and other receivables R'000	Total R'000
2025				
Opening balance	284 094	2 198	80 581	366 873
Acquisition of subsidiary		48 645		48 645
Reallocations (Credited)/charged to the income statement - Current			97 258	97 258
Credited to the income statement - Prior year	130 590	(4 304)	196 993	323 279
Credited to other comprehensive income	(5 239)		(61)	(5 300)
Foreign currency translation	(1 034)	(9)	(39)	(1 043)
Closing balance	408 411	46 530	374 732	829 673
2024				
Opening balance	371 762	68 248	143 831	583 841
Reallocations (Credited)/charged to the income statement - Current year	(109)		11 366	11 257
Credited to the income statement - Prior year reallocation	50 370	(2 077)	(59 063)	(10 770)
Disposal of operation	3 350			3 350
Foreign currency translation	(161 549)	(76 601)	(30 446)	(268 596)
Closing balance	20 270	12 628	14 893	47 791
	284 094	2 198	80 581	366 873

Deferred taxation assets	GROUP						
	Share-based payments R'000	Post-employment benefits R'000	Assessed losses set off R'000	Provision for doubtful debts R'000	Warranty claims R'000	Derivatives and other R'000	Total R'000
2025							
Opening balance	(4 570)	(12 260)	(101 630)	(21 376)	(13 624)	(139 236)	(292 696)
Acquisition of subsidiary			(350 189)				(350 189)
Reallocations (Credited)/charged to the income statement:						(100 216)	(100 216)
- Current year	(1 089)	94	(42 092)	7 200	(1 846)	(255 053)	(292 786)
- Prior year reallocation			(1 874)	(88)		(1 975)	(3 937)
Credited to other comprehensive income	2 291	(884)					1 407
Deferred taxation on share- based payment reserve*	7 652	(44)					7 608
Foreign currency translation	9	(4)	25	115	(1)	116	260
Closing balance	4 293	(13 098)	(495 760)	(14 149)	(15 471)	(496 364)	(1 030 549)
2024							
Opening balance	(3 922)	(20 094)	(141 564)	(21 542)	(14 894)	(104 391)	(306 407)
Reallocations Charged/(credited) to the income statement:						(11 189)	(11 189)
- Current year	(2 592)	(2 848)	(126 176)	106	(2 447)	(39 975)	(173 932)
- Prior year reallocation				(54)		(1 610)	(1 664)
Disposal of operation		16 917	175 826		4 224	18 830	215 797
Credited to other comprehensive income		(5 694)					(5 694)
Deferred taxation on share- based payment reserve*	1 930	840					2 770
Foreign currency translation	14	(1 381)	(9 716)	114	(507)	(901)	(12 377)
Closing balance	(4 570)	(12 260)	(101 630)	(21 376)	(13 624)	(139 236)	(292 696)

* The measurement of the deductible expense on share-based payment reserves is based on the entity's share price.

NOTES TO THE FINANCIAL STATEMENTS

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16. DEFERRED TAXATION (continued)

Deferred tax assets are recognised for the carry forward amount of unused tax losses relating to the group's operations where, among other things, taxation losses can be carried forward indefinitely and there is evidence that it is probable that sufficient taxable profits will be available in the future to utilise all tax losses carried forward. Recognition is limited to the extent that it is probable that the entities will generate future taxable income against which these tax losses can be utilised.

Deferred tax liabilities are not recognised for the income tax effect that may arise on the remittance of unremitted earnings by subsidiaries. It is management's intention that, where there is no double taxation relief, these earnings will be permanently re-invested in the group.

	GROUP		COMPANY	
	2025 R'000	2024 R'000	2025 R'000	2024 R'000
17. TRADE AND OTHER PAYABLES				
Trade creditors	1 740 206	1 281 021		
Accrual for leave pay	51 315	41 439		
Trade accruals, including utilities, technical and license fees	506 424	349 021	909	1 887
Tool-maker payables	289 021	227 159		
Deferred income on government grants	290 889	206 512		
Payroll and statutory accruals	190 502	139 614		
Royalties payable	89 680	50 279		
VAT and other indirect taxes	32 163	36 872		
Rebates and discounts payable	9 679	8 329		
Refund liabilities	14 917	14 872		
Audit fee accrual	8 559	9 831		
	3 223 355	2 364 949	909	1 887
Non-current portion of deferred income on government grants included in non-current liabilities	(205 025)	(135 405)		
Current portion included in current liabilities	3 018 330	2 229 544	909	1 887
The carrying amounts of the group's trade and other payables are denominated in the following currencies:				
Rand	2 225 403	1 515 534	909	1 887
Yen	263 406	86 786		
US Dollar	256 658	232 406		
Euro	218 881	257 142		
British Pound	6 464	6 126		
Thai Baht	94 536	81 768		
Romanian Lei	157 799	184 820		
Indian Rupee	208	367		
	3 223 355	2 364 949	909	1 887

18. PROVISIONS FOR LIABILITIES AND CHARGES

Warranty

Provision is made for the estimated liability on all products sold which are still under warranty including claims initiated, not yet settled. Claims are expected to be settled in the next financial year. Management estimates the provision based on historical warranty claim information and any recent trends that may suggest future claims would differ from historical amounts. Factors that could impact the estimated claims information include the success of the group's productivity and quality initiative, as well as parts and labour costs. The effect of discounting is immaterial. Warranties are assurance based and cannot be separately purchased.

Executive bonuses

Executive bonuses are approved by the remuneration committee.

Other provisions

Other provisions comprise of scrap battery returns (recycling) and long service awards, amounting to R0.6 million (2024: R11.5 million) and R31.4 million (2024: R18.6 million) respectively. During the current year the group raised closure and restructuring provisions amounting to R 8.6 million. The timing and amount of cash outflows associated with other provisions are subject to uncertainty and depend on the resolution of the underlying matters.

The balance of R423.7 million (2024: R21.5 million) consists of legal risk and other provisions.

Legal Claim

The European Commission (the Commission) issued a ruling imposing a total fine of EUR 20.2 million (R413 million, based on the prevailing exchange rate) on Rombat SA. The Commission further determined that Metair and its Dutch subsidiary, Metair International Holding Cooperatief UA, based in the Netherlands, are jointly and severally liable for a portion of the fine amounting to EUR 11,6 million, based on a legal presumption under EU law of parental liability in that they exercised decisive influence over Rombat since its acquisition on 14 March 2012.

Metair and Rombat submitted an appeal in this regard on 27 February 2026 as there are a number of areas which are disputed including the gravity of the fine given Rombat's size versus other defendants as well as the presumption that Metair exercised decisive influence over Rombat.

	GROUP			
	Executive bonus R'000	Warranty claims R'000	Other R'000	Total R'000
2025				
Balance at the beginning of the year	46 727	57 374	76 089	180 190
Acquisition of subsidiary		300	11 853	12 153
Disposal of operation				
- Additional provision	60 815	58 337	465 621	584 773
- Unused amounts reversed	(3 723)	(888)	(11 000)	(15 611)
Utilised during the year	(36 805)	(50 121)	(58 298)	(145 224)
Foreign currency translation	(499)	(224)	(19 980)	(20 703)
Balance at the end of the year	66 515	64 778	464 285	595 578
2024				
Balance at the beginning of the year	34 818	65 990	78 073	178 881
Disposal of operation	(5 966)	(16 894)	(27 774)	(50 634)
- Additional provision	49 837	57 930	52 257	160 024
- Unused amounts reversed		(107)	(254)	(361)
Utilised during the year	(31 301)	(47 136)	(23 668)	(102 105)
Foreign currency translation	(661)	(2 409)	(2 545)	(5 615)
Balance at the end of the year	46 727	57 374	76 089	180 190
Analysis of total provisions:			2025	2024
Non-current			R'000	R'000
			360 309	40 104
Current			235 269	140 086
			595 578	180 190

NOTES TO THE FINANCIAL STATEMENTS

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	GROUP		COMPANY	
	2025 R'000	2024 R'000	2025 R'000	2024 R'000
19. NOTES TO CASH FLOW STATEMENTS				
19.1 RECONCILIATION OF PROFIT BEFORE TAXATION TO CASH GENERATED FROM OPERATIONS				
Group (loss)/profit before taxation (note 19.6)	(235 031)	(4 133 694)	81 871	25 639
Adjustment for:				
Depreciation and amortisation	592 844	470 614		
Impairment charge	16 123	36 874		
Impairment of goodwill		52 570		
Loss/(profit) on disposal of property, plant and equipment	(4 610)	15 689		
Fair value remeasurement losses on existing interests	360 018			
Gain on bargain purchase	(50 335)	(194 959)		
Loss on disposal of operations		3 860 829		
Amortisation of financial guarantee		(23 217)		(15 784)
Loss allowance on loan to associate		6 900		
Loss allowance on financial guarantee				3 935
Financial assets at fair value through profit or loss	77 597	(36 402)	(57 936)	
Foreign exchange losses/(gains) on operating activities	(72 396)	86 617	(1)	(78)
Share-based payment/(reversal) expenses	19 090	20 385		
Post-employment benefit - charge	6 477	4 745		
Post-employment benefits - contributions paid	(2 315)	(29 362)		
Equity accounted results from investments/dividends from investments	(44 186)	(31 743)	(34 721)	(20 331)
Amortisation of costs to fulfil a contract	20 792			
Interest income	(79 624)	(153 784)	(8)	(11)
Interest expense	612 240	1 151 825	1 590	550
Net monetary gain arising from hyperinflation in Türkiye		(472 848)		
Increase in Rombat provision for the EU commission fine	412 591			
Increase in provisions, derivatives and other non cash items	47 026	48 073		
Operating cash generated/(utilised) before working capital changes	1 676 301	679 112	(9 205)	(6 080)
Working capital changes (excluding the effect of foreign exchange differences on consolidation):	207 320	804 158	(947)	64
Changes in contract assets and liabilities	(466 178)	(2 030)		
Decrease in inventory	573 177	546 174		
Decrease/(increase) in trade and other receivables	316 503	(326 641)	33	(33)
(Decrease)/increase in trade and other payables	(216 182)	586 655	(980)	97
Cash generated from/(utilised in) operations	1 883 621	1 483 270	(10 152)	(6 016)
19.2 TAXATION PAID				
Taxation paid is reconciled to the amount disclosed in the income statement as follows:				
Amounts receivable at the beginning of the year	(32 644)	(14 825)		
Income statement charge from continuing operations (note 4)	(152 723)	(203 798)	(1)	7
Income statement charge from discontinued operations	15 922			
Currency impact		290		
Disposal of operation		(5 868)		
Amounts unpaid at the end of the year	(3 387)	32 644		
	(172 832)	(191 557)	(1)	7
19.3 DIVIDENDS PAID				
To non-controlling interests		(34 079)		
Balance due at the end of the year				
		(34 079)		
19.4 INTEREST PAID				
Interest expense	(612 240)	(1 151 825)	(1 590)	(550)
Accrual for interest and other charges at the beginning of the year		(44 791)		
Accrual for interest and other charges at the end of the year	34 628			
Disposal of operation		76 155		
Unwinding of interest of financial guarantee				550
	(577 612)	(1 120 461)	(1 590)	

	GROUP		COMPANY	
	2025 R'000	2024 R'000	2025 R'000	2024 R'000
19. NOTES TO CASH FLOW STATEMENTS (continued)				
19.5 ADVANCES RECEIVED FROM/(MADE TO) SUBSIDIARIES				
Advances made to subsidiaries			(23 585)	(14 360)
			(23 585)	(14 360)
19.6 RECONCILIATION OF TOTAL OPERATIONS (LOSS)/PROFIT BEFORE TAXATION				
(Loss)/Profit before tax from continuing operations	(126 116)	454 420		
(Loss)/Profit from discontinued operations	(108 915)	(4 588 114)		
Loss before tax from Mutlu operations		(595 776)		
Loss before tax from Dynamic UK operations	(46 393)	2 522		
Loss before tax from Metindustrial operations	(58 970)	(44 270)		
Disposal costs recognised	(3 552)	(89 761)		
Loss on disposal of Mutlu		(3 860 829)		
	(235 031)	(4 133 694)		

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	GROUP			
	Minority ring fenced trade creditor	Bank borrowings	Instalment sale and lease liabilities	Total
	R'000	R'000	R'000	R'000
19. NOTES TO CASH FLOW STATEMENTS (continued)				
19.7 RECONCILIATION OF MOVEMENTS IN BORROWINGS (REFER TO NOTE 15) TO CASH FLOWS ARISING FROM FINANCING ACTIVITIES				
2025				
Balance at the beginning of the year		3 178 965	335 775	3 514 740
Acquisition of subsidiary (note 30)	1 251 969	436 650	92 909	1 781 528
Changes from financing cash flows:	(934 500)	1 046 341	(221 981)	(110 140)
Bank Borrowings raised - SA Obligor (Bridge)		186 300		186 300
Bank Borrowings raised - SA Obligor		3 300 000		3 300 000
Bank borrowings repaid - SA Obligor		(3 275 000)		(3 275 000)
Bank Borrowings raised - Hesto Obligor		1 372 150		1 372 150
Borrowings repaid - Hesto Obligor	(934 500)	(488 490)		(1 422 990)
Bank Borrowings raised - Rombat		2 004		2 004
Bank borrowings repaid - Rombat		(50 623)		(50 623)
Lease repayments			(221 981)	(221 981)
New leases (non cash)			202 358	202 358
Disposal of operation				
Interest on leases			50 268	50 268
Interest on Minority creditor loan (non cash)	54 962			54 962
Foreign currency translation (non cash)	(38 505)	(1 298)	(3 182)	(42 985)
Balance at the end of the year	333 926	4 660 658	456 147	5 450 731

	GROUP			
	Redeemable preference shares	Bank borrowings	Instalment sale and lease liabilities	Total
	R'000	R'000	R'000	R'000
2024				
Balance at the beginning of the year	840 000	2 246 053	311 565	3 397 618
Changes from financing cash flows:	(840 000)	2 455 059	(78 006)	1 537 053
Preference shares redeemed/repaid	(840 000)			(840 000)
Bank borrowings raised		1 815 080		1 815 080
Mutlu borrowings repaid		(1 041 419)		(1 041 419)
Mutlu and Rombat borrowings raised		1 681 398		1 681 398
Lease repayments			(78 006)	(78 006)
New leases			35 078	35 078
Disposal of operation		(1 342 397)	(13 017)	(1 355 414)
Acquisition of operation (note 30)			103 246	103 246
Lease modification			(7 255)	(7 255)
Foreign currency translation		(179 750)	(15 836)	(195 586)
Balance at the end of the year		3 178 965	335 775	3 514 740

20. FINANCIAL INSTRUMENTS

20.1 FINANCIAL INSTRUMENTS BY CATEGORY

The accounting policies for financial instruments have been applied to the line items below:

Classification of financial assets included in the balance sheet

	GROUP		
	At amortised cost R'000	Mandatorily at fair value through profit or loss R'000	Total R'000
2025			
Derivative financial instruments		171	171
Trade and other receivables ¹	1 579 430		1 579 430
Cash and cash equivalents	1 300 230		1 300 230
Total	2 879 660	171	2 879 831
2024			
Derivative financial instruments		18 927	18 927
Trade and other receivables ¹	1 356 777		1 356 777
Cash and cash equivalents	1 172 510		1 172 510
Loans to associate	960 645		960 645
Total	3 489 932	18 927	3 508 859

Classification of financial liabilities included in the balance sheet

	GROUP		
	Mandatorily at fair value through profit or loss R'000	At amortised cost R'000	Total R'000
2025			
Borrowings and other financial liabilities		5 450 732	5 450 732
Derivative financial instruments	72 536		72 536
Bank overdraft		88 072	88 072
Trade and other payables ²		2 753 650	2 753 650
Total	72 536	8 292 454	8 364 990
2024			
Borrowings and other financial liabilities		3 536 471	3 536 471
Derivative financial instruments	1 870		1 870
Bank overdraft		364 151	364 151
Trade and other payables ²		2 028 237	2 028 237
Total	1 870	5 928 859	5 930 729

¹ Prepayments and VAT receivables are excluded from the trade and other receivables balance.

² Leave pay, advances received, deferred income and other non-financial liabilities are excluded from trade and other payables balance.

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20. FINANCIAL INSTRUMENTS (continued)

20.1 FINANCIAL INSTRUMENTS BY CATEGORY (continued)

The accounting policies for financial instruments have been applied to the line items below for the company:

Assets and liabilities as per balance sheet

	COMPANY		Total R'000
	Financial assets at amortised cost R'000	Financial liabilities at amortised cost R'000	
2025			
Short-term loans to subsidiaries	1 796 233		1 796 233
Cash and cash equivalents	1 610		1 610
Short-term loans from subsidiaries		(372 840)	(372 840)
Trade and other payables		(909)	(909)
Total	1 797 843	(373 749)	1 424 094
2024			
Short-term loans to subsidiaries	1 787 871		1 787 871
Trade and other receivables	33		33
Cash and cash equivalents	1 455		1 455
Short-term loans from subsidiaries		(397 264)	(397 264)
Trade and other payables		(1 887)	(1 887)
Other financial liabilities		(47 982)	(47 982)
Total	1 789 359	(447 133)	1 342 226

20.2 FINANCIAL RISK MANAGEMENT

The group's activities expose it to a range of financial risks, namely market risk (including foreign currency and interest rate risk), credit risk and liquidity risk. These risks arise in the ordinary course of business through funding activities, procurement of raw materials, capital investment, export sales and customer credit extension.

The group's financial risk management framework is designed to manage the unpredictability of financial markets and to minimise potential adverse effects on earnings, cash flows and the statement of financial position. Risk management activities are governed by Board-approved policies and are overseen by the Risk Management Committee. Treasury activities are centrally coordinated to ensure consistency of approach, appropriate controls and alignment with the group's risk appetite.

The group does not enter into speculative derivative transactions.

A. Market risk

i. Foreign currency exchange rate risk

The group operates in international markets and is exposed to foreign currency risk arising from imports, exports, capital expenditure commitments and certain funding arrangements. The principal currencies of exposure are the Euro, US Dollar, Japanese Yen and Thai Baht.

Management has set up policies to manage foreign currency exchange rate risk against the functional currency. When the business wins long-term customer tenders or makes purchase orders that are in a foreign currency the group minimises the potential volatility of the cash flows from these transactions by 'hedging' either economically (i.e., receiving hard currency) or through forward exchange contracts ('FECs'). At period end, the group values (mark to market) these FECs at the market forward rate at reporting date. These valuation adjustments are realised through profit and loss. Hedge accounting is not applied unless specifically designated as a cash flow hedge. The group's foreign exchange currency risk management policy is to fully hedge all confirmed exposures unless agreed otherwise (including orders for materials or firm commitments for capital expenditure, where possible).

The group has established a centralised treasury function and makes use of professional treasury advisors to assist in the execution and monitoring of foreign exchange hedging strategies. Detailed information on foreign currency contracts is disclosed in note 20.5.

The Company does not have material foreign currency exposure in its own capacity.

20. **FINANCIAL INSTRUMENTS (continued)**
20.2 **FINANCIAL RISK MANAGEMENT (continued)**
A. Market risk (continued)

Uncovered foreign currency exchange exposures at year-end can be analysed as follows:

	At balance sheet date				Purchase orders not yet reflected as liabilities/(assets) in the balance sheet			
	2025		2024		2025		2024	
	Foreign amount outflow/ (inflow) '000	Rand equivalent outflow/ (inflow) R'000	Foreign amount outflow/ (inflow) '000	Rand equivalent outflow/ (inflow) R'000	Foreign amount '000	Rand equivalent R'000	Foreign amount '000	Rand equivalent R'000
US Dollars	3 704	62 873	2 115	55 262	6 120	101 261	6 340	121 563
Euro	(2 299)	(44 695)	8 328	163 377	(3 636)	(70 001)	4 576	99 672
Japanese Yen	878 534	76 622	53 444	6 773	1 019 109	107 748	725 516	87 322
Great British Pound	(33)	(690)	16	372	26	591	39	958
Thai Baht	40 109	20 562	8 574	6 151	64 090	33 670	31 541	17 348
Romanian Lei	(1 711)	(6 527)	11 171	44 059	(497)	(1 896)	511	2 016
Singapore Dollars	1 177	460	1 665	368	1 369	253	1 123	248
Total		108 605		276 362		171 626		329 127

Foreign exchange sensitivity analysis	Profit higher/lower	
	2025 R'000	2024 R'000
At 31 December 2025, if the Rand had weakened/strengthened by 10% in relation to the following key currencies, with all other variables held constant, estimated post-taxation profit/equity for the year would change for the following:		
- Mainly as a result of foreign exchange gains/losses on translating foreign denominated trade receivables, trade payables and the mark-to-market valuation of the group's forward exchange contracts:		
US Dollar	20 885	14 929
Euro	7 784	6 314
Japanese Yen	19 729	6 133

The following significant exchange rates against the Rand applied at year-end:

	Spot rate		Average rate	
	2025	2024	2025	2024
US Dollar	16.5	18.9	17.9	18.3
Euro	19.4	19.6	20.2	19.8
Japanese Yen (at inverted rate)	9.5	8.3	8.3	8.3
Great British Pound	22.3	23.7	23.6	23.4
Turkish Lira	0.4	0.5	0.5	0.6
Romanian Lei	3.8	3.9	4.0	4.0

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20. FINANCIAL INSTRUMENTS (continued)

20.2 FINANCIAL RISK MANAGEMENT (continued)

A. Market risk (continued)

ii. Interest rate risk

The group's interest rate risk arises from various variable interest rate borrowings and financial liabilities ('borrowings') (refer to note 15). Interest rates on bank overdrafts are disclosed in note 14, which are reviewed annually and the terms are market-related. Interest rates and pricing profiles on borrowings, including maturity dates are disclosed in note 15.

These borrowings result in an exposure to variability in future interest cash flows which could impact the income statement and other comprehensive income and the statement of financial position.

Management evaluates the group's borrowings and exposures as it deems appropriate in order to optimise interest savings and reduce volatility in the debt-related element of the group's cost of capital. Management has, therefore, developed an interest rate risk management policy to ensure the group minimises the impact of the fluctuations in interest rates on its financial performance and financial position. As a result, management has entered into an interest rate swap of R1 billion, in terms of which floating interest cash flows are swapped for fixed interest cash flows over the hedged period (in relation to a specified proportion of the group's facilities).

The interest rate swap (hedging instrument) is a derivative measured at fair value and is designated in a cash flow hedging relationship in its entirety. The interest rate swap was traded to hedge the cash flow variability arising from the interest on variable rate facilities which are linked to 3-month JIBAR (hedged item).

An economic relationship exists as the critical terms of the hedging instrument and the hedged item are closely aligned, and the hedge ratio is 1:1.

Ineffectiveness might arise from the unwinding of the designation date fair value of the interest rate swap, slight mismatches in terms between the hedged item and hedging instrument, changes in the terms of the hedged item and the effects of credit risk.

Overall, these sources of ineffectiveness are not expected to be significant, as the critical terms of hedged item and hedging instrument are closely aligned and credit risk is not expected to dominate the value changes within the economic relationship.

At 31 December 2025, if the average interest rates on borrowings had changed by 1.0% point with all other variables held constant, group post-taxation profit/equity for the year would have changed upwards/downwards by R29.9 million (2024: R21 million).

Changes in variable interest rates do not have a significant impact on the company as the company does not have external borrowings.

iii. Price risk

The group does not hold investments in equity securities or similar instruments and is therefore not exposed to equity price risk.

B. Credit risk

Credit risk represents the risk of financial loss arising from:

- A customer's failure to settle trade receivables (operational credit risk); or
- A financial institution failing to meet its contractual obligations in respect of cash deposits or derivative contracts (financial credit risk).

Credit risk management is governed by formal credit policies and monitored on an ongoing basis.

Refer to note 26 for details on the credit risk on loans provided to associates.

Operational

The group supplies automotive components primarily to OEM and aftermarket customers within the automotive sector.

The trade receivables profile comprise of 48% (2024: 38%) due from OEM component and 52% (2024: 62%) from the aftermarket component.

Net trade receivables comprise of R765 million (2024: R433 million) from the OEM component and R530 million (2024: R561 million) from the aftermarket component business. Further analysis of trade receivables and management's ageing profiles can be found in note 13.

OEM customers typically operate on 30 - 60 day settlement terms. While exposure to individual OEMs may result in concentration risk at a point in time, these customers have strong credit profiles and internationally recognised ratings. Aftermarket receivables are more diversified across independent distributors, wholesalers and retailers, mitigating customer concentration risk.

Management monitors, *inter alia*: customer credit ratings, ageing profiles; concentration levels; and payment behaviour trends. The group has extensive and regular dialogue with key customers and strong commercial and business relationships.

Credit risk is managed through, *inter alia*: (i) formal credit application procedures and credit limits; (ii) ongoing debtor performance reviews; and (iii) centralised monitoring of ageing and impairment provisioning.

Approximately 89% (2024: 90%) of customers are long standing trading partners with established payment histories. None of these balances are credit impaired or have been written off during the reporting period.

20. FINANCIAL INSTRUMENTS (continued)
20.2 FINANCIAL RISK MANAGEMENT (continued)
B. Credit risk (continued)
Trade receivables

Trade receivables are measured at amortised cost and are presented net of an allowance for expected credit losses (“ECLs”). Movements in the loss allowance are disclosed in note 13. The group’s exposure to credit risk is influenced mainly by the individual characteristics of each customer. In monitoring customer credit risk, customers are grouped according to certain shared credit characteristics such as industry and markets, product types and sectors, trading history and existence of previous financial difficulties. Trade receivables are also written off when there is no reasonable expectation of recovery (specific impairments). Indicators that there are no reasonable expectations of recovery include, amongst others, the failure of a debtor to engage in a repayment plan with the group, and a failure to make payments for a period of greater than 60 days past due. The group continues to engage in enforcement activity to attempt to recover amounts written off. Actual bad debts recognised during the year amounted to R14.2 million (2024: R3.7 million). The increase primarily relates to certain customers entering into liquidation.

Impairment methodology

The group applies a forward looking ‘expected credit loss’ (‘ECL’) model that is used to determine impairment losses and group entities adopt a provision matrix, as a practical expedient, to measure ECL on trade receivables (‘the simplified approach’). This model focuses on the risk that a debtor will default, rather than whether a loss has or will be incurred (objective evidence of impairment). Credit losses are recognised earlier because every loan and other receivable ‘has some risk of defaulting in the future’ and has an ‘expected’ credit loss associated with it, from the moment of its origination or acquisition.

The matrix is a calculation of an impairment loss based on a default loss rate percentage applied over the life of trade receivables. The provision matrix is developed to compute historically observed ‘flow rates’. These are derived by computing the historical ‘flow rate’ of trade receivables, based on their ageing and arriving at an average loss rate. After determining our ageing buckets, by type of counterparty, we also identify the default bucket. The definition of ‘default’ is consistent with that used for our internal credit risk management. We have used an ‘over 6 months’ ageing bucket as a default event and is defined as the failure to honour the credit terms agreed with the customer concerned.

Where practically possible, we adjust average loss rates for current conditions and forward-looking estimates, provided these are necessary and reasonable supportable information is available without undue cost or effort. We closely monitor the economic environments of our customers and our risk management processes are considered appropriate. The scalar economic factors we considered included the state of the automotive industry and outlook, GDP forecasts, the geography and industry in which our customers operate, time taken to settle debts and past default experiences in certain segments.

There has been no material change in the estimation techniques applied in determining the ECLs from the prior year. The following granular approach is applied in arriving at the loss rates:

Step 1: Disaggregation (segmentation) of debtor’s book:

- Receivables are analysed by underlying markets and common credit characteristics being OEM, exports, aftermarket and non-auto.
- OEMs have low default risk and very limited or no historical write-offs. Exports and aftermarket may have a raised default risk due to the nature of customers (normally ‘private’ businesses) and have different route to markets compared to OEMs.

Step 2: Determine the period over which the data may be considered for determining the loss rates:

- Our analysis of data was performed over a period of between one to two years.

Step 3: Determine the ageing buckets and identify the default buckets:

- We analysed the collection of invoices separately for OEMs, aftermarket, exports and non-auto.
- We determined when the debtors paid and sorted into ‘buckets’ based on the number of days from creation of invoice until collection of invoice.

Step 4: Conclude on appropriate loss rates:

- We calculated the theoretic ‘historical’ credit loss by using our default (or loss) ‘trigger’ divided by the amount unpaid (outstanding) at the end of each time bucket to arrive at the loss rate.
- We determined what percentage of proportion of trade receivables reach a point of no collection or loss.
- We adjusted the rates by scalar factors to reflect differences between economic conditions during the period over which the historical data has been collected, current conditions and our view of economic conditions over the expected lives of the receivables, in particular supply chain disruptions experienced in the industry.
- We looked at past customer default history, specifically the 2008 global financial crisis and impact on the automotive industry.

Step 5: Calculate expected credit losses:

- We then applied the loss rates to the actual portfolio of debtors (ageing bucket in each segment), at balance sheet date, to arrive at the impairment (ECL).

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20. FINANCIAL INSTRUMENTS (continued) 20.2 FINANCIAL RISK MANAGEMENT (continued) B. Credit risk (continued)

From a group point of view our expected credit loss ('ECL') matrix and provision can be summarised as follows:

Ageing buckets by counterparty - R'000	GROUP					
	Amounts outstanding at year-end	2025 Weighted average loss rate %	Expected credit loss	Amounts outstanding at year-end	2024 Weighted average loss rate %	Expected credit loss
OEM	644 750	0.02%	135	396 755	1.99%	7 878
Export	203 641	15.21%	30 977	256 821	13.76%	35 335
Aftermarket	482 603	6.23%	30 087	371 799	7.39%	27 482
Non-Auto	26 055	30.82%	8 031	29 658	59.68%	17 700
IFRS 9 lifetime ECL: Y/E	1 357 049	5.10%	69 230	1 055 033	8.38%	88 395

The following table provides information about our debtors book and the exposure to credit risk from each customer as at 31 December:

	Gross carrying amount R'000	Loss allowance R'000	Credit impaired
31 December 2025			
Current (not past due)	700 273	(6 848)	No
1 - 30 past due	464 805	(988)	No
31 - 60 days past due	39 107	(575)	No
61 - 90 days past due	14 474	(429)	Yes
More than 90 days past	138 390	(60 393)	Yes
Total debtors book	1 357 049	(69 233)	
31 December 2024			
Current (not past due)	767 368	(557)	No
1 - 30 past due	160 839	(753)	No
31 - 60 days past due	25 955	(18 499)	No
61 - 90 days past due	14 466	(3 061)	Yes
More than 90 days past	86 405	(65 524)	Yes
Total debtors book	1 055 033	(88 394)	

The group's exposure to credit risk is influenced primarily by the individual characteristics of its customers.

Trade receivables comprise both OEM and aftermarket exposures. OEM customers represent a significant portion of the debtor book and are generally considered lower risk due to strong credit profiles and long-standing relationships. The aftermarket portfolio is more diversified across independent distributors, wholesalers and retailers, thereby mitigating concentration risk.

While the gross carrying amount of trade receivables increased during the period following the consolidation of Hesto's debtors into the group from April 2025, the receivables book now reflects a greater proportion of investment-grade, multi-national OEM customers, whose observed default rates have been minimal.

Metair through a partnership with Standard Bank and a leading Fintech provider, Addendum Financial Services, has concluded an off-balance sheet Supply Chain Finance programme with no recourse to Metair. This solution allows Metair to unlock liquidity where it has the flexibility to discount invoices at its discretion at competitive rates.

Approximately R9 million (2024: R47 million) of trade receivables are outstanding for more than 12 months. These have been fully provided for as at 31 December 2025.

Credit risk is primarily concentrated within the aftermarket business (AutoZone, First Battery, and Rombat), following the disposal of Mutlu operations in the prior year. These entities service aftermarket and export customers. Despite this exposure, the risk of default remains remote, with credit risk managed by withholding shipments and requiring cash advances for overdue accounts.

Management continues to assess the recoverability of receivables with reference to historical experience and prevailing economic conditions.

20. **FINANCIAL INSTRUMENTS (continued)**
 20.2 **FINANCIAL RISK MANAGEMENT (continued)**

B. Credit risk (continued)

Contract assets are short-term in nature and relate to OEM customers, being global automakers, of low default risk and ECLs are immaterial. The main contributors to credit risk arise from the AFM business, the majority of which is AutoZone, First Battery and Rombat as the Mutlu operations were disposed in the prior year. The AFM Segment businesses are exposed to aftermarket and export customers. Risk of defaults have been remote. In certain instances, goods are not shipped if amounts are past due and cash advances are then requested. Expected credit losses on rebates, discount receivables, tooling and other receivables have been considered and are immaterial.

Financial credit risk

Financial credit risk arises from exposure to: (i) cash and cash equivalents; (ii) bank deposits; and (iii) derivative counterparties. The group limits this exposure by transacting only with approved financial institutions with appropriate credit ratings and by diversifying banking relationships where appropriate.

Cash and cash equivalents

Credit risk relating to cash and cash equivalents is managed by placing funds with multiple financial institutions to limit concentration risk. Cash balances are placed with reputable financial institutions with strong international credit ratings. The group considers the credit risk associated with its cash and cash equivalents to be low based on the external credit ratings of the counterparties. The minimum credit ratings for financial institutions where balances are held are BB- in South Africa and BBB- in Romania.

ECLs on cash and cash equivalents are considered immaterial due to the short-term nature of these balances and the high credit quality of the counterparties. Deposits are readily convertible to known amounts of cash and access to these funds is unrestricted. The group has not experienced any historical losses on these balances and does not expect to incur credit losses in the foreseeable future.

Derivatives

Derivatives (predominantly FECs and interest rate swaps) are entered into with various banks and financial counterparties of strong international investment rates.

The credit quality of financial assets is based on historical counterparty default rates:

	GROUP	
	2025 R'000	2024 R'000
Analysis of credit quality		
Trade receivables		
Counterparties are:		
Group 1 - new customers (less than 6 months) with no defaults	9 948	17 737
Group 2 - existing customers (more than 6 months) with no defaults in the past	1 275 105	948 902
Group 3 - existing customers (more than 6 months) with some defaults	71 996	88 394
	1 357 049	1 055 033
The group has different categories of customers and a period of six months has been used as the criteria in distinguishing between new and existing customers.		
Credit limits were within terms and management does not expect any losses from non-performance by these counterparties. The maximum exposure to credit risk is estimated to be the carrying amounts of the financial assets held (refer to note 13).		
Cash and cash equivalents		
Bank balances were held as follows:		
South African banks	1 256 708	1 064 170
European banks	43 522	108 340
	1 300 230	1 172 510
Derivative financial instruments		
Forward exchange contracts were held as follows:		
South African banks - net ZAR forward cover notional inflow/(outflow)	(49 930)	346 172

The group does not expect any financial counterparties to fail to meet their obligations. Additional information on credit ratings can be found publicly on S&P Global, Fitch and Moody's Investor services. South Africa's BB- rating remains stable with South Africa's resilient economy and established financial institutions operating within a regulated banking environment. Romania holds an investment-grade rating determined at BBB- indicating a stable economic environment.

NOTES TO THE FINANCIAL STATEMENTS

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20. FINANCIAL INSTRUMENTS (continued)
20.2 Financial risk management (continued)
B. Credit risk (continued)

	COMPANY	
	2025 R'000	2024 R'000
Credit quality - Company		
Current advances to subsidiaries		
- with no defaults in the past and not credit impaired/low credit risk ('Inalex')	1 796 233	1 787 871
Bank balances with South African banks - fully performing	1 610	1 455

Subsidiaries and associates

Credit risk for the company arises primarily from loans and financial guarantees advanced to subsidiaries and associates. These exposures are subject to the expected credit loss ("ECL") impairment model in terms of IFRS9 Financial Instruments. The company applies the general approach for assessing impairments as the loans do not fall within the scope of the simplified approach.

Under the general approach, impairment losses are recognised based on the stage of the financial asset. Where there has not been a significant increase in credit risk ('SICR') since initial recognition, the loss allowance is measured on 12-months expected credit losses. Where a SICR has occurred, the loss allowance is measured at lifetime expected credit losses.

Expected credit losses represent probability-weighted estimates of credit losses, measured as the present value of all cash shortfalls over the expected life of the financial asset

The ECL calculation incorporates three key inputs:

- Probability of default ('PD') – the likelihood that a borrower will fail to meet its contractual obligations.
- Loss given default ('LGD') – the proportion of the exposure that is expected to be lost if default occurs.
- Exposure at default ('EAD') - the outstanding balance of the loan or exposure at the reporting date.

The company calculates ECL using the formula (ECL=PD x LGD x EAD).

A probability-weighted scenario approach is applied in estimating PDs, incorporating multiple forward-looking economic scenarios (good, medium and adverse conditions). The PDs are derived using external market data and industry-specific benchmarks relevant to the automotive, retail and related sectors in which the group operates.

External data sources used in determining PD assumptions include:

- default rate studies and industry data published by Moody's Investors Service;
- corporate credit rating default statistics from S&P Global Ratings; and
- implied default indicators derived from government bond markets and credit spreads.

These inputs are adjusted using probability-weighted macroeconomic scenarios reflecting possible outcomes in the automotive and retail industry and broader emerging market environment. The resulting weighted PD rates are reviewed annually and updated based on the latest available market information.

In assessing whether a significant increase in credit risk has occurred, the company considers both quantitative and qualitative indicators. These include:

- adverse changes in the operating results or forecasts of the underlying subsidiaries;
- evidence of working capital constraints or liquidity pressures within the operations;
- changes in credit spreads and market indicators affecting the automotive and retail sector;
- movements in enterprise values of the underlying businesses; and
- other indicators suggesting deterioration in the creditworthiness of the counterparty.

There is a rebuttable presumption under IFRS 9 Financial Instruments that credit risk has increased significantly if contractual payments are more than 30 days past due, although this presumption may be rebutted where appropriate.

In assessing expected credit losses on these loans, management considers the group's intention and ability to recover the balances over time through operational cash flows or other restructuring mechanisms.

Forward-looking information considered in the ECL assessment includes both external and internal factors such as:

20. FINANCIAL INSTRUMENTS (continued)
20.2 FINANCIAL RISK MANAGEMENT (continued)

External indicators

- publicly available industry default statistics and credit rating data;
- macroeconomic and automotive and retail sector outlook indicators; and
- emerging market credit risk indicators.

Internal indicators

- expected operating performance of subsidiaries;
- ability of subsidiaries to service funding obligations and upstream cash flows;
- expected recovery in automotive production volumes; and
- continued structural support for the South African automotive sector through government industrial policy frameworks.

The company's strategy is generally to recover intercompany funding over time through a combination of:

- dividends declared upstream from subsidiaries;
- refinancing or restructuring of funding facilities;
- the introduction of equity partners into certain businesses; and
- disposal of non-core assets where appropriate.

Loss given default

For exposures where the counterparty remains solvent and net asset value positive, a baseline LGD assumption of 50% is applied. This reflects a conservative assumption that recovery outcomes could range between full repayment and partial loss in a downside scenario.

Where a counterparty is in a net asset value deficit position or reliant on financial support, a stress or worst-case LGD scenario is applied. Under this approach, LGD is determined based on the higher of:

- the counterparty's net equity deficit relative to the loan exposure;
- the baseline LGD assumption of 50%; or
- the proportion of exposure not supported by the counterparty's net asset value.

Exposure at default

Exposure at default represents the gross outstanding loan balance at the reporting date, adjusted where relevant for credit enhancements such as guarantees or insurance arrangements.

Specific impairments

The company has recognised a specific impairment in respect of loans advanced to Automould amounting to R167 451 000 (2024: R167 451 000). The company has subordinated its claims in favour of other creditors, which has resulted in a recoverability assessment indicating that the carrying value of the loan is impaired.

NOTES TO THE FINANCIAL STATEMENTS

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20. FINANCIAL INSTRUMENTS (continued)

20.2 FINANCIAL RISK MANAGEMENT (continued)

B. Credit risk (continued)

Credit risk – company (continued)

The company adopts a 'repayment over time' strategy for loans advanced which could be recovered in a number of ways:

- adjusting dividends declared upstream;
- refinancing or extensions of funding facilities;
- sale of certain operating subsidiaries or introduction of equity partners into some of our businesses; and
- sale of some of the group's free-hold properties.

Financial guarantees issued by the company results in the recognition of a financial guarantee liability (refer to note 15), recognised as an ECL balance to the extent that there are underlying defaults on obligations to funders. An associate or subsidiary is considered to have defaulted when they have not met their contractual obligations for payment due. In determining expected default, the forward-looking factors under the expected credit loss model are applied.

The reconciliation for loss allowances (impairments) at 31 December are as follows:

	COMPANY	
	2025 Loans to subsidiaries at amortised cost R'000	2024 Loans to subsidiaries at amortised cost R'000
Loss allowance as at 31 December	(185 851)	(194 213)

C. Liquidity risk

The group is exposed to liquidity risk as part of its normal financing and operational cash cycles. Prudent liquidity risk management implies maintaining sufficient cash and the availability of funding through an adequate amount of committed credit facilities to ensure that sufficient liquidity is available to meet obligations as they fall due and to maintain sufficient flexibility in order to fund investment and acquisition objectives. The group manages liquidity risk by monitoring forecast cash flows and ensuring that adequate unutilised borrowing facilities are maintained.

The group utilises the credit facilities of various banking institutions and has been able to operate within these facilities. This trend is expected to continue into the foreseeable future to fund growth in the group. Details of borrowings facilities are disclosed in note 15. Projected operational cash flows and the impending debt refinancing exercise are expected to provide adequate liquidity.

Analysis of financial liabilities – maturities (group)

The table below analyses the group's financial liabilities and derivative financial liabilities into relevant maturity groupings based on the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

20. FINANCIAL INSTRUMENTS (continued)
20.2 FINANCIAL RISK MANAGEMENT (continued)
C. Liquidity risk (continued)

	Balance sheet carrying value R'000	Total Contractual cash flows R'000	Less than 1 year R'000	Maturities		
				Between 1 and 2 years R'000	Between 2 and 5 years R'000	Over 5 years R'000
As at 31 December 2025						
Borrowings (excluding lease liabilities)	5 132 166	7 881 311	2 570 709	2 723 226	2 572 342	15 034
Lease liabilities	318 565	371 162	138 617	143 548	88 998	
Derivative financial liabilities	72 536	72 536	72 536			
Overdraft	88 072	88 072	88 072			
Trade and other payables	2 753 650	2 753 650	2 753 650			
	8 364 989	11 166 732	5 623 584	2 866 774	2 661 340	15 034
As at 31 December 2024						
Borrowings (excluding lease liabilities)	3 371 837	3 409 935	3 205 861	184 202	19 873	
Lease liabilities	142 903	160 262	79 554	58 060	22 648	
Derivative financial liabilities	1 870	1 870	1 870			
Overdraft	364 151	364 136	364 136			
Trade and other payables	2 028 237	2 028 237	2 028 237			
	5 908 998	5 964 440	5 679 658	242 262	42 521	

Analysis of financial liabilities - maturities (company)

Financial liabilities of R373 million (2024: R396 million) mainly relates to amounts due to Business Investments No 1217 (Pty) Ltd (BVI) and Metair Management Services (Pty) Ltd and is classified as current. BVI holds equity shares in the company (treasury shares). Recoveries of advances from other subsidiaries as well as dividends received by the company provides adequate liquidity to repay BVI, if required. The contractual cash flows approximate the carrying values.

Maturity profile of financial guarantee issued on behalf of Hesto as at December

	GROUP AND COMPANY		
	Balance sheet carrying value (IFRS 9 fair value)	Contractual cash flow (nominal value undiscounted)	Less than 1 year
2025			
2024	21 731	1 186 000	1 186 000

* Following the consolidation of Hesto, the refinance of Hesto's bank borrowings and repayment of Yazaki's trade creditors, the financial guarantees have been released.

NOTES TO THE FINANCIAL STATEMENTS

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20 FINANCIAL INSTRUMENTS (continued)

20.3 CAPITAL RISK MANAGEMENT

The Group's objectives when managing capital are to safeguard its ability to continue as a going concern while providing sustainable returns and benefits to shareholders and stakeholders. In addition, the Group seeks to maintain an optimal capital structure that minimises the cost of capital and supports long-term value creation. In managing its capital structure, the Group may adjust dividend distributions to shareholders, return capital, issue new equity instruments, or dispose of assets to reduce debt or optimise capital deployment.

Capital allocation decisions are prioritised towards investments that are strategically aligned with the Group's objectives and that demonstrate a high probability of generating appropriate returns on invested capital and sustainable free cash flow.

In order to maintain or adjust the capital structure, the group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt/reduce capital investments. Capital allocations are limited to the most meaningful projects with the highest probability of success to support the group's required return on invested capital and free cash flow generation.

The group remains committed to strengthening its financial position and improving credit quality through:

- Deleveraging, driven by sustainable earnings growth;
- Disciplined capital allocation and structured capital repayments; and
- Continued focus on operational efficiency, margin protection, and cash generation.

Refer to note 15 (Borrowings and Financial Liabilities) for further details.

Debt covenants

The term, bullet and subordinated loans (refer note 15) are subject to covenant measures. The covenant measures (as calculated and defined per the financing agreements), as at 31 December 2025 are:

SA Obligor:

- Net Senior Debt to EBITDA not more than 2.65 times (calculated 1.53 times)
- Senior interest cover ratio: not less than 3 times (calculated 3.55 times)
- Total interest cover ratio: not less than 1.8 times (calculated 2.19 times)
- Net debt to EBITDA ratio: not more than 4.75 times (calculated 3.37 times)

Hesto Obligor:

- Total interest cover ratio: not less than 3 times (calculated 7.0 times)
- Debt service cover ratio: not less than 1.2 times (calculated 1.86 times)
- Net debt to EBITDA ratio: not more than 2.5 times (calculated 1.45 times)

The company is not subject to debt covenants.

20.4 FAIR VALUE ESTIMATION

The financial instruments that are measured subsequent to initial recognition at fair value are forward exchange contracts and interest rate swaps. All of these financial instruments are classified as Level 2 fair value measurements, as defined by IFRS 13, being those derived from inputs other than quoted prices that are observable, either directly or indirectly. Credit risk on these derivatives are considered insignificant,

Derivative financial instruments are discussed further below in note 20.5.

Bank overdrafts, other short-term bank borrowings, bank balances and cash and short-term bank deposits, trade receivables and payables approximate book value due to their short maturities. For borrowings, the current contractual pricing of borrowings approximates the rates that would be available to the group.

20. FINANCIAL INSTRUMENTS (continued)
20.5 DERIVATIVE FINANCIAL INSTRUMENTS

The table below analyses financial instruments carried at fair value, by valuation method as defined in note 20.4:

At 31 December	Level	GROUP			
		2025 R'000		2024 R'000	
		Assets	Liabilities	Assets	Liabilities
Derivatives designated as hedging instruments					
Interest Rate Swap	2		10 869		
Forward exchange contracts and similar instruments - Mandatorily at fair value through profit/(loss)	2	171	61 667	18 927	1 870
		171	72 536	18 927	1 870

The fair value of forward foreign exchange contracts is determined using quoted forward exchange rates (market observable/published rates) to terminate the contracts at the reporting date. The maximum exposure to credit risk at the balance sheet is the fair value of the derivative assets.

At 31 December 2025, the group has an interest rate swap agreement in place with a nominal amount of R1 billion (2024: RNIL) whereby the group pays a fixed rate of 7.03% and receives interest at a variable rate of 3-month JIBAR on the notional amount. The swap is being used to hedge the exposure to changes in the fair value of its variable rate secured loan.

There is an economic relationship between the hedged item and the hedging instrument. The hedged item creates an exposure to pay 3-month JIBAR on the stated notional, settled on a quarterly basis. The interest rate on the same notional creates an equal and opposite interest receipt and a fixed interest payment, therefore creating an exact offset for this transaction resulting in a net fixed interest payable. The group has established a hedge ratio of 1:1 for the hedging relationship. To test the hedge effectiveness the group uses the hypothetical derivative method and compares the changes in the fair value of the hedging instrument against the changes in the fair value of the hedged item attributable to the hedged risk.

Derivatives, or portions thereof, are classified as current assets or liabilities where these instruments mature or have cash flows within a period of 12 months. Derivatives, or portions thereof, with settlements or maturities later than 12 months are classified as non-current assets or liabilities.

Derivative instruments from continuing operations resulted in a loss of R77.1 million (2024: profit of R16.0 million) for the year.

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20. FINANCIAL INSTRUMENTS (continued) Forward exchange and interest

Year-end Forward exchange and interest rate swaps contracts can be analysed as follows

	*Rand amount (outflow)/ inflow '000	Foreign notional amount '000	FEC rate - range	Derivative Asset/ Liability fair value Rand '000	Period to maturity
Derivative financial assets					
Non-designated derivatives					
Forward exchange contracts ("FEC")					
US Dollar	(137 250)	7 500	18.3-18.3		28 January 2026 to 28 January 2026
Euro			-		
Japanese Yen	138	(1 255)	0.1-0.1	171	23 January 2026 to 30 January 2026
Great British Pound			-		
Thai Baht			-		
	(137 112)			171	
Total derivative financial assets				171	
Derivative financial liabilities					
US Dollar	(644 680)	36 033	16.6-17.6	(43 353)	02 January 2026 to 28 April 2026
Euro	(234 888)	11 639	19.5-19.7	(6 449)	02 January 2026 to 28 April 2026
Great British Pound	(1 109)	49	22.3-22.4	(15)	02 January 2026 to 25 March 2026
Japanese Yen	1 142 610	(5 261 383)	0.1-9.4	(10 903)	23 January 2026 to 30 June 2026
Thai Baht	(74 891)	89 755	1.9-1.9	(947)	05 January 2026 to 27 February 2026
	187 042			(61 667)	
Designated derivatives					
Interest rate swaps					
3-month JIBAR	1 000 000			(10 869)	30 July 2025 - 30 September 2027
Total derivative financial	1 187 042			(72 536)	

* Forward cover value in ZAR terms, representing the foreign notional amount translated at the contracted rates.

20. FINANCIAL INSTRUMENTS (continued)

CASH FLOW HEDGE RESERVE

	GROUP	
	2025	2024
	R'000	R'000
Movement in the cash flow hedge reserve:		
Opening balance		
Change in fair value of cash flow hedging instrument	(9 587)	
Hedging gains/(losses reclassified to profit or loss (to 'Interest expense')	(4)	
Deferred tax relating to the movement in the hedge reserve	2 558	
Closing balance	(7 032)	

The effects of the cash flow hedging relationship relating to the hedging instrument on the group's financial position and financial performance are as follows:

	GROUP	
	2025	2024
	R'000	R'000
Hedging instrument		
Interest rate risk:		
Interest rate swap (included in Derivative financial assets/(liabilities))		
Carrying amount	(10 869)	
Notional amount	1 000 000	
Fixed Rates (%)	7.03%	
Maturity date	2027	
Change in the value used for calculating hedge effectiveness	(10 638)	
Hedge ineffectiveness recognised in profit or loss ¹	(1 283)	

¹ Hedge ineffective loss is included in the interest expense in the income statement

The effects of the cash flow hedging relationship relating to the hedged item on the group's financial position and financial performance are as follows:

	GROUP	
	2025	2024
	R'000	R'000
Hedged item		
Interest rate risk:		
Borrowings (included in Borrowings and financial liabilities)		
Carrying amount		
Designated Notional amount	1 000 000	
Reference Rate	3-month JIBAR	
Designated Maturity date	2027	
Change in value used for calculating hedge ineffectiveness	9 383	
Cash flow hedge reserve balance	(7 032)	

NOTES TO THE FINANCIAL STATEMENTS

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	GROUP		COMPANY	
	2025 R'000	2024 R'000	2025 R'000	2024 R'000
21. CONTINGENT LIABILITIES				
Performance and related guarantees	29 678	24 931		
	29 678	24 931		

The group has contingent liabilities in respect of performance guarantees, letters of credit, customs and excise and other related matters arising out of the ordinary course of business. The likelihood of loss is remote.

	GROUP		COMPANY	
	2025 R'000	2024 R'000	2025 R'000	2024 R'000
22. COMMITMENTS				
Capital commitments	441 947	512 968		
Contracted:				
- Plant, machinery and equipment	31 986	169 216		
Authorised by the directors, but not yet contracted:				
- Plant, machinery and equipment	409 961	343 752		

Commitments will be financed from a combination of internal cash resources, unutilised funding facilities and future customer support. The maturity profile for lease obligations (commitments) can be found in notes 15 and 20.2 C.

23. POST-EMPLOYMENT BENEFITS

The group provides post-employment benefits for its employees.
Amounts included in the financial statements comprise of:

	GROUP	
	2025 R'000	2024 R'000
Balance sheet obligation for:		
Post-employment medical aid benefits (note 23.1)	50 542	43 022
Other post-employment benefits (note 23.2)		
Liability in the balance sheet	50 542	43 022
Income statement charge:		
Continuing operations:		
Post-employment medical aid benefits (note 23.1)	6 477	5 112
Discontinued operations:		
Other post-employment benefits (note 23.2)		8 095
	6 477	13 207
Remeasurements included in other comprehensive income:		
Post-employment medical aid benefits (note 23.1) - loss/(gain)	3 358	(546)
Other post-employment benefits (note 23.2) - loss		22 967
Long service award - loss	60	370
	3 418	22 791

23.1 POST-EMPLOYMENT MEDICAL AID BENEFITS

Certain of the companies in the group operated post-employment medical benefit schemes until 31 December 1996. Employees who joined the group after 1 January 1997 will not receive any co-payment subsidy from the group upon reaching retirement.

The scheme is unfunded. The present value of the obligation is based on the 'projected unit credit basis' using certain assumptions.

The amounts recognised in the income statement are as follows:

	GROUP	
	2025 R'000	2024 R'000
Current service costs	2 088	533
Interest costs	4 389	4 579
	6 477	5 112
Movement in the liability recognised in the balance sheet		
At the beginning of the year	43 022	40 067
Total expense per income statement	6 477	5 112
Contributions paid	(2 315)	(1 611)
Actuarial loss/(gain) recognised in other comprehensive income	3 358	(546)
At the end of the year	50 542	43 022
The amounts recognised in equity are as follows:		
Recognised actuarial loss/(gain)	3 358	(546)
Assumptions	2025	2024
The principal actuarial assumptions used were:		
- Discount rate for obligation	9.0%	10.6%
- Healthcare cost inflation	6.0%	6.5%
- Continuation of membership on retirement	100.0%	100.0%
- CPI inflation	5.0%	5.4%
- Post-retirement mortality	PA (90)-1	PA (90)-1
- Pre-retirement mortality	SA 85-90	SA 85-90

Assumptions regarding future mortality are set based on actuarial advice in accordance with published statistics and experience.

NOTES TO THE FINANCIAL STATEMENTS

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23. POST-EMPLOYMENT BENEFITS (continued)

23.1 POST-EMPLOYMENT MEDICAL AID BENEFITS (continued)

The key financial assumption are the discount and inflation rates (and consequently the discount 'gap').

The effect of a one percentage point movement in the subsidy inflation rate and assumed discount rate is as follows:

31 December 2025 Assumption	Change	Accrued liability	% change	Current	
				service and interest costs	% change
Central assumption		48 992		4 927	
Subsidy inflation rate	1%	54 446	11%	5 503	12%
	-1%	44 351	-9%	4 436	-10%
Discount rate	1%	44 265	-10%	4 818	-2%
	-1%	54 573	11%	5 041	2%

31 December 2024 Assumption	Change	Accrued liability	% change	Current	
				service and interest costs	% change
Central assumption		43 022		5 112	
Subsidy inflation rate	1%	47 675	11%	5 725	12%
	-1%	39 044	-9%	4 585	-10%
Discount rate	1%	39 039	-9%	4 952	-3%
	-1%	47 748	11%	5 292	4%

23.2 OTHER POST-EMPLOYMENT BENEFITS

Other post-employment benefits relate to the Mutlu group which was disposed of in 2024 (refer to note 29).

The amounts recognised in the income statement within discontinued operations in 2024 are as follows:

	GROUP	
	2025 R'000	2024 R'000
Current service costs		4 212
Interest costs		3 883
		8 095
Movement in the liability recognised in the balance sheet		
At the beginning of the year		23 555
Total expense per income statement		8 095
Contributions paid		(27 751)
Actuarial loss recognised in other comprehensive income		22 967
Disposal of subsidiary		(42 808)
Currency adjustment		15 942
At the end of the year		
The amounts recognised in equity are as follows:		
Recognised actuarial (gain)/loss		22 967

23.3 PENSION SCHEMES

The group operates defined contribution pension schemes and contributions are charged against the income statement. The group contributed R130.9 million (2024: R116.1 million) to the defined contribution schemes.

	GROUP		COMPANY	
	2025 R'000	2024 R'000	2025 R'000	2024 R'000
24. SUBORDINATION AGREEMENTS				
The company has subordinated claims in favour of, and for the benefit of, the other creditors of subsidiaries to the extent that the aforementioned subsidiaries liabilities exceed total assets.				
Total loan amount receivable (gross) from:				
Automould (Pty) Ltd (formerly Smiths Plastics (Pty) Ltd) (note 19.2)			167 451	167 451
			167 451	167 451

25. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

In preparing these consolidated financial statements, management has made judgements and estimates that affect the application of the group's accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognised prospectively. The judgements, estimates and assumptions that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

A. Judgements

Information about judgements made in applying accounting policies that have the most significant effects on the amounts recognised in the financial statements include the following:

Revenue recognition

- timing of revenue recognition – whether revenue from the supply of automotive components is recognised over time or at a point in time; and
- whether tooling supply arrangements result in separate performance obligations and should therefore be included within revenue, on a principal, rather than agent, basis.

Refer to note 1.2 and accounting policies on revenue for further details.

IFRS 16 – Incremental borrowing rates

The determination of incremental borrowing rates, as set out in the accounting policy note on leases, required management judgement. Incremental borrowing rates (IBR's) are based on the cost of borrowing from third parties. Borrowing rates readily observable in the market or available through recent financing are used by group entities as a starting point and adjusted by margins of between 0.25 to 1 basis points (bps) depending on the size, duration and country of lease. Security provided as well as the nature of the asset leased is also considered.

B. Assumptions and estimation uncertainties

Information about assumptions and estimation uncertainties at 31 December 2025 that have a risk of resulting in a material adjustment to the carrying amounts of assets and liabilities in the next financial year is included in the following notes:

Asset useful lives and residual values (refer to note 7)

Property, plant and equipment are depreciated over its useful life taking into account residual values where appropriate. The actual useful lives of the assets and residual values are assessed annually and may vary depending on a number of factors. In reassessing asset useful lives, factors such as technological innovation, product life cycles/project life and maintenance programmes are taken into account. Residual value assessments consider issues such as future market conditions, the remaining life of the asset and projected disposal values.

Intangible asset useful lives (refer to note 8)

Intangible assets are amortised over their useful life on a systematic basis, once assessed by management as having a limited period of benefit to the entity. Intangible assets with an indefinite useful life are not subject to amortisation. The amortisation methods and useful lives are reviewed at least annually. In reassessing asset useful lives, market, technology, customer and contract related factors are taken into account.

NOTES TO THE FINANCIAL STATEMENTS

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25. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (Continued)

Goodwill impairment testing (refer to note 8)

The group tests annually whether goodwill (including indefinite life intangibles) has suffered any impairment, in accordance with the accounting policy. The recoverable amounts of CGUs have been determined based on value-in-use calculations. These calculations require the use of estimates. Key estimates include growth and discount rates (WACC) applied. Future cash flows (earnings) expected to be generated by Rombat (CGUs) are projected, taking into account factors such as market conditions and earnings growth. The Goodwill attributable to Rombat was fully written off during 2024.

IFRS 2 - Equity-settled schemes (refer to note 27.1)

IFRS 2 charges, determined by reference to the fair value of options granted, are calculated in terms of the group's accounting policy and based on option pricing models for the share option scheme in operation. The charge is based on assumptions applied at grant date to the valuation models. These include, among others, the risk-free interest rate, Metair share price volatility and dividend yields.

Fair value determination at grant date includes market performance conditions (such as share price), excludes the impact of any service and non-market performance vesting conditions (such as employment period conditions and profitability) and includes the impact of any non-vesting conditions.

At the end of each reporting period, the group revises its estimates of the number of options that are expected to vest based on the non-market vesting conditions and service conditions. It recognises the impact of the revision to original estimates, if any, in the income statement, with a corresponding adjustment to equity.

Measurement of expected credit loss ('ECL') allowance for trade receivables, contract assets and intercompany loans (refer to notes 13 and 20.2 B. Credit risk)

IFRS 9 allows a 'simplified approach' (one of the three approaches) to determine loss allowances and adopts a 'life-time' ECL for trade receivables (without significant financing components). Essentially IFRS 9 tells us how to create expected credit losses for trade receivables using a 'provision matrix'.

The calculation of an impairment loss is based on a default rate percentage applied over the life of a group of financial assets or receivables, from the moment of its origination or acquisition. The definition of 'default' should also be consistent with that used for internal credit risk management.

In using the simplified approach, certain assumptions in determining the weighted-average loss rate was applied. The group also 'disaggregated' its debtor's book into common credit and risk characteristics. Some of the assumptions applied included defining a default base, analysing historical credit losses and the practicalities of applying forward looking estimates.

The company applied the general approach to estimate ECL for intercompany loans.

Revenue measurement in battery aftermarket arrangements – estimate of variable consideration (refer to note 1.2)

An entity shall include in revenue some or all of an amount of variable consideration, estimated only to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur, when the uncertainty associated with the variable consideration is subsequently resolved.

In one of the group's businesses, a supply arrangement exists whereby some independent aftermarket franchises are requested to supply batteries to other customers. A credit-note (refund) is issued to the specific distributor or franchise for their stock that is utilised from their inventory holding.

Since the group has an option to redirect the batteries, initially sold to the distributor, a variable consideration constraint exists. Therefore, the amount of revenue recognised is adjusted for the expected credit notes to be issued, usually indicated by historical trends and sales forecasts.

26. RELATED PARTIES

The group and company entered into transactions with related parties. The table below summarises transactions with related parties of the group.

	GROUP	
	2025 R'000	2024 R'000
Hesto		
The group entered into the following transactions with Hesto (a major associate):		
Purchases from group companies		475 920
Sales to group companies		10 544
Management fees paid to group companies		18 702
Management fees received from group companies		333
Interest paid to group companies on shareholder's loan		66 650
Loan receivable net of expected credit loss allowance		960 645
Loan receivable (gross subordinated shareholder's loan including interest)		972 945
Expected credit loss allowance raised		(12 300)
Receivable due from sale of goods to Hesto		116 997
Payables arising from sale of goods by Hesto	40	8 770
Valeo		
Purchases from group companies	72 654	72 882
Outstanding balance to group companies	10 557	10 467

The company provided a letter of support to Metair Management Services (Pty) Ltd and historically subordinated claims against Automould (Pty) Ltd and AutoZone (Pty) Ltd (refer to note 24).

Information on emoluments paid to executive and non-executive directors have been presented in note 3. Employees fulfilling the role of key management are all appointed to the board of directors.

Information on investments in subsidiaries and associates, including loan advances are presented in notes 10 and 11. Information on loans granted to subsidiaries has been presented in note 10. Dividends from subsidiaries has been presented in note 3. Directors' shareholding and share incentives granted have been presented in note 27.

Information on the Metair Investments Limited 2009 Share Plan can be found in note 27. The share-based payment expense for key management amounted to R9.3 million (2024: R5.3 million credit).

Information on the Metair group Pension Scheme can be found in note 23.3. Information on shareholding of the company is available on the shareholder's analysis included in the integrated annual report.

Transactions that are eliminated intra-group for consolidation purposes are not included.

NOTES TO THE FINANCIAL STATEMENTS

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	GROUP		COMPANY	
	2025 R'000	2024 R'000	2025 R'000	2024 R'000
27. STATED CAPITAL AND TREASURY SHARES				
Authorised number of shares				
400 000 000 ordinary shares at no par value	400 000 000	400 000 000	400 000 000	400 000 000
Issued number of shares				
Ordinary shares at beginning and end of the year	198 985 886	198 985 886	198 985 886	198 985 886
	198 985 886	198 985 886	198 985 886	198 985 886
Issued				
198 985 886 ordinary shares of no par value	1 497 931	1 497 931	1 497 931	1 497 931
Treasury shares				
Balance at the beginning of the year	(100 164)	(106 974)		
Shares acquired by Business Venture Investments No 1217 (Pty) Ltd				
Shares disposed by Business Venture Investments No 1217 (Pty) Ltd (vesting utilisation)	15 196	6 810		
Balance at the end of the year	(84 968)	(100 164)		
Number of treasury shares are held as follows				
Business Venture Investments No 1217 (Pty) Ltd	4 028 396	4 829 022		

Treasury shares are ordinary shares held by Business Venture Investments No 1217 (Pty) Ltd in Metair Investments Limited ('List-Co') and may be used for vesting purpose related to the Metair Investments Limited 2009 share plan.

27.1 THE METAIR INVESTMENTS LTD 2009 SHARE PLAN (EQUITY-SETTLED SHARE-BASED PAYMENT SCHEME)

The Metair Investments Ltd 2009 Share Plan is an equity-settled share-based payment scheme approved by shareholders on 4 December 2009. Under the plan, executives, senior managers and/or key employees of the group will annually be offered long term incentive awards in the form of share options listed below.

Annual allocations of awards made to executives and selected managers are governed by Metair's remuneration policies.

If an employee ceases to be employed by the group by reason of no-fault termination prior to vesting or exercise the awards available to vest and/or be exercised, shall be deemed to have vested, been exercised and shall be settled to the employee in terms of the share plan with effect from the date of termination of employment. All shares vested are exercised.

a) Performance shares

Annual conditional awards of performance shares will be made to participants with a zero strike price. Performance shares will vest on the third anniversary of their award, to the extent that the specified performance criteria over the intervening period has been met.

Metair executive's performance criteria will be the group's return on invested capital ('ROIC') (40%), HEPS growth targets (30%) as well as cash conversion rates (20%) and ESG targets (10%).

Movements in the number of shares awarded are as follows:

	2025 Number shares	2024 Number shares
Balance at the beginning of the year	7 657 404	5 285 594
Granted	9 309 556	5 345 082
Additional increase based on performance criteria		
Lapsed	(4 033 429)	(2 586 266)
Vested	(315 711)	(387 006)
Balance at the end of the year	12 617 820	7 657 404
Share awards outstanding vest in the following financial years, subject to the fulfilment of performance conditions.		
2025		1 133 042
2026	1 211 052	1 722 302
2027	3 707 999	4 802 060
2028	7 698 769	
	12 617 820	7 657 404
IFRS 2 share-based payment charge/(reversal)	R19 090 168	R20 648 284

27. **STATED CAPITAL AND TREASURY SHARES (continued)**
27.1 **THE METAIR INVESTMENTS LTD 2009 SHARE PLAN (EQUITY-SETTLED SHARE-BASED PAYMENT SCHEME)**
(continued)

b) Valuation of share incentive grants

The performance shares granted are the economic equivalent of awarding a Metair share (without dividend rights for the period from grant date to vesting date) at zero strike. Therefore, the value of each performance share is equal to the share price on the grant date less the present value of future dividends expected over the vesting period.

The table below sets out the assumptions used to value the grants:

	2025	2024
Performance shares		
Spot price	R6.77	R11.38 - R12.39
Strike price (grant price)	Nil	Nil
Volatility	N/A	N/A
Dividend yield	NIL	2.98% - 7.06%
Risk-free interest rate	7.38%	7.37% - 8.12%
Valuation (IFRS 2)	R53 492 652	R45 628 921
Fair value per share at grant date	R6.77	R9.21 - R11.33

The total IFRS 2 share-based payment resulted in a expense for the year of R 19.1 million (2024: R20.4 million credit), including allocation to non-controlling interests. Share-based payment expenses are capitalised to the investment in subsidiaries at a company level. Metair's share price at 31 December 2025 was R4.50 (2024: R9.85).

c) Share awards, options and other grants allocated to and exercised by Metair Investments Limited executive directors

	2025			2024	
	P O'Flaherty	A. Walker	A. Jogia ¹	P O'Flaherty	A. Jogia ¹
Number of shares:					
Performance shares					
Opening shares	608 657		307 162		137 841
Yearly award	1 039 604	392 562		608 657	197 555
Lapsed			(307 162)		(25 411)
Additional increase based on performance criteria					
Exercise					(2 823)
Total	1 648 261	392 562		608 657	307 162

¹ Mr Jogia's awards also include awards granted prior to his appointment as CFO. Mr Jogia's resignation date was 1 April 2025 and he served notice until 30 June 2025.

27.2 **INTEREST OF DIRECTORS**

The aggregate direct beneficial holdings of directors and their immediate families in the issued ordinary shares of the company are detailed below.

	Number of shares as at 31 December 2025		Number of shares as at 31 December 2024	
		%		%
Executive directors				
A Jogia ¹			13 485	0.01
Non-executive directors				
S Sithole ² & N Mkhondo indirect non-beneficial through Value Capital Partners	39 075 118	19.64	39 075 118	19.64
Total	39 075 118	19.64	39 088 603	19.65

¹ Mr Jogia's resignation date was 1 April 2025 and he served notice until 30 June 2025.

² S Sithole's resigned as an alternate director to Ms NL Mkhondo effective 7 May 2025.

There has been no change to these interests between the end of the financial year and the date of approval of the annual financial statements.

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	GROUP		COMPANY	
	2025 R'000	2024 R'000	2025 R'000	2024 R'000
28. RESERVES				
28.1 SHARE-BASED PAYMENT RESERVE				
Balance at the beginning of the year	38 891	25 081	75 758	63 935
Value of service provided	19 090	20 385	9 275	20 385
Deferred taxation	(7 457)	(2 770)		
Utilisation of treasury shares to settle obligation*	(15 196)	(6 810)	(8 695)	(8 562)
Estimated taxation effect of utilisation of treasury shares	(1 713)	(302)		
Transfer of net vesting impact to retained earnings	3 274	3 307		
Balance at the end of the year	36 889	38 891	76 338	75 758
<i>* The market value of shares utilised to settle the obligation amounted to R7.5 million (2024: R5.41 million).</i>				
28.2 HEDGING RESERVE				
Balance at the beginning of the year				
Effects of cash flow hedges	(9 590)			
Deferred taxation	2 558			
	(7 032)			
28.3 FOREIGN CURRENCY TRANSLATION RESERVE				
Balance at beginning of the year	277 903	(1 149 528)		
Net exchange differences on translation of foreign operations	(27 382)	519 025		
Realisation of foreign currency translation differences upon disposal of foreign operation		908 406		
Balance at end of the year	250 521	277 903		
28.4 EQUITY ACCOUNTED RESERVES				
Balance at the beginning of the year	102 538	101 059		
Transfers from/(to) retained earnings	44 186	1 479		
Balance at the end of the year	146 724	102 538		
Transfer from retained earnings consists of:				
- Share of results of associates	44 185	31 743		
- Dividends received		(30 264)		
	44 185	1 479		
28.5 CHANGE IN OWNERSHIP RESERVE - NON-CONTROLLING INTERESTS ('NCI')				
Transaction with NCI reserve - AutoZone	(6 426)			
Balance at the beginning of the year		(25 214)		
Foreign currency translation		(1 066)		
Disposal of operations		26 280		
Balance at the end of the year	(6 426)			
Total other reserves	420 676	419 332	76 338	75 758
28.6 RETAINED EARNINGS				
Balance at the beginning of the year	876 810	5 063 202	352 399	326 753
Net (loss)/profit for the year	(451 915)	(4 164 431)	81 869	25 646
Other comprehensive loss	1 857	(17 115)		
Transfers from/(to) equity accounted reserves	(44 186)	(1 480)		
Transfer of net vesting impact of share-based payments (from)/to retained earnings	(3 159)	(3 366)		
Balance at the end of the year	379 407	876 810	434 268	352 399

	GROUP		COMPANY	
	2025 R'000	2024 R'000	2025 R'000	2024 R'000
28.7 NON-CONTROLLING INTERESTS				
Balance at the beginning of the year	103 131	127 320		
Net profit for the year - attributable to NCI	58 827	9 956		
Arising from the consolidation of Hesto	(114 244)			
Other comprehensive income - attributable to NCI	(621)	(125)		
Transfer of net vesting impact of share-based payments to retained earnings	810	59		
Dividend		(34 079)		
Balance at the end of the year	47 903	103 131		

NOTES TO THE FINANCIAL STATEMENTS

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29. DISPOSAL OF SUBSIDIARY AND DISCONTINUED OPERATION

29.1 Disposal of 100% shareholding in Metair Akü Holding Anonim Şirketi ("Metair Türkiye") by Metair International Holdings Coöperatief U.A. ("MIH")

The Mutlu Group (Metair Akü Holding Anonim Şirketi and all its wholly owned subsidiaries) manufactures and sells automotive batteries to Original Equipment Manufacturers (OEMs) that include local aftermarket, exports and in new vehicles.

The Mutlu Group operated under challenging macroeconomic and local trading conditions that, together with a hyperinflationary environment and high interest rates in Türkiye, introduced significant complexity and risk to the Metair Group. In the prior year, the decision was therefore made to dispose of the Mutlu Group and derisk Metair.

Upon the successful completion of conditions precedent, MIH, a wholly owned Subsidiary of Metair, disposed of its entire shareholding in Metair Türkiye to Quexco Incorporated for a net consideration of US\$750 million, effective 19 December 2024.

Disposal consideration, net of cash disposed

	Notes	GROUP	
		2025	2024
		R'000	R'000
ASSETS			5 569 556
Non-current assets			3 075 530
Property, plant and equipment	7		1 792 402
Intangible assets	8		1 283 128
Current assets			2 494 026
Inventory			1 246 595
Trade and other receivables			1 121 208
Taxation			5 868
Cash and cash equivalents			120 355
Non-current liabilities			(132 056)
Post-employment benefits	23		(42 808)
Deferred taxation	16		(52 733)
Provisions for liabilities and charges	18		(36 515)
Current liabilities			(2 493 005)
Trade and other payables (including deferred grant income)			(1 123 472)
Borrowings and financial liabilities	19.7		(1 355 414)
Provisions for liabilities and charges	18		(14 119)
Total liabilities			(2 625 061)
Net asset value disposed			2 944 495
FCTR recycled at disposal date	28.2		908 406
Other reserves recycled at disposal date	28.4		26 281
Loss on disposal			(3 860 829)
Disposal consideration*			18 353
Less cash disposed			(120 355)
Disposal consideration net of cash			(102 002)
			US\$'000
*Disposal consideration (1US\$: ZAR 18.35)			750

The Disposal Consideration was subject to customary adjustments based on the Mutlu Group's net debt and working capital amounts and was finalised on the 29 May 2025 ("Closing Adjustments").

A closing payment of US\$1million was advanced by the Purchaser to Metair, with the Final Disposal Consideration being determined within 60 days of the Closing Date once the final Closing Adjustments were determined in accordance with the Share Purchase Agreement. The Final Disposal Consideration was US\$750k.

29. DISPOSAL OF SUBSIDIARY AND DISCONTINUED OPERATION

29.1 Disposal of 100% shareholding in Metair Akü Holding Anonim Şirketi ("Metair Türkiye") by Metair International Holdings Coöperatief U.A. ("MIH") (continued)

The results of Mutlu Group for the year are presented below:

	GROUP	
	2025	2024
	R'000	Represented ¹ R'000
Revenue		4 813 875
Cost of sales		(4 605 347)
Gross profit		208 528
Other operating income and dividend income		(3 658)
Distribution expenses		(168 797)
Administrative and other operating expenses		(319 854)
Operating (loss) / profit before capital items		(283 781)
Capital items		(8 678)
Operating (loss) / profit		(292 459)
Interest income		30 930
Interest expense		(807 095)
Net monetary gain arising from hyperinflation in Türkiye		472 848
(Loss) / profit before taxation		(595 776)
Taxation		110 012
(Loss) / profit for the year		(485 764)
¹ Capital items reclassified and represented separately.		
Cash flows utilised by Mutlu group:		
Net cash utilised from operating activities		(198 014)
Net cash utilised from investing activities		(562)
Net cash generated from financing activities		198 262
Net decrease in cash and cash equivalents		(314)
Reconciliation to (loss) / profit for the year from discontinued operations:		
(Loss) / profit for the year from Mutlu operations		(485 764)
Disposal costs recognised	(3 552)	(89 761)
Loss on disposal of Mutlu		(3 860 829)
(Loss) / profit for the year from discontinued operations	(3 552)	(4 436 354)
Attributable to:		
Equity holders of the company	(3 552)	(4 436 354)
	(3 552)	(4 436 354)
Earnings/(loss) per share		
Basic (loss)/earnings per share (cents)	(2)	(2 286)
Diluted (loss)/earnings per share (cents)	(2)	(2 255)

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29. DISCONTINUED OPERATION (continued) 29.2 DISCONTINUED OPERATIONS

In the current year, the group announced the decision of its Board of Directors to discontinue the Industrial business, a division of a wholly owned subsidiary (Metindustrial Proprietary Limited) of the group. At 31 December 2025, Industrial division met the criteria of a discontinued operation per IFRS5 and was classified accordingly.

The results of First Battery industrial division for the year are presented below:

	GROUP	
	2025	2024
	R'000	Represented ¹ R'000
Revenue	296 382	327 535
Cost of sales	(243 063)	(273 955)
Gross profit	53 319	53 580
Other operating income and dividend income	498	396
Distribution expenses	(19 380)	(20 596)
Administrative and other operating expenses	(56 231)	(45 430)
Other operating expenses	(35 316)	(32 009)
Operating (loss) / profit before capital items	(57 111)	(44 059)
Capital items	(1 858)	(211)
Operating (loss) / profit	(58 970)	(44 270)
Interest income		
Interest expense		
(Loss) / profit before taxation	(58 970)	(44 270)
Taxation	15 922	11 953
(Loss) / profit for the year	(43 048)	(32 317)
Attributable to:	(43 048)	(32 317)
Equity holders of the company	(43 048)	(32 317)
Non-controlling interests		
<i>¹ Capital items reclassified and represented separately.</i>		
Cash flows utilised by First Battery industrial :		
Net cash utilised from operating activities	29 892	3 325
Net cash utilised from investing activities		(1 283)
Net cash generated from financing activities		
Net decrease in cash and cash equivalents	29 892	2 042
(Loss) / profit for the year from discontinued operations	(43 048)	(32 317)
Attributable to:	(43 048)	(32 317)
Equity holders of the company	(43 048)	(32 317)
	(43 048)	(32 317)
Earnings/(loss) per share		
Basic (loss)/earnings per share (cents)	(22)	(17)
Diluted (loss)/earnings per share (cents)	(22)	(16)

29. DISCONTINUED OPERATION (continued)
29.3 DISCONTINUED OPERATIONS

In the current year, the group resolved to close Dynamic Battery business as part of the strategy to focus on the African Market. In accordance with the requirements of IFRS 5 Non-current Assets Held for Sale and Discontinued operations, Dynamic Batteries met the criteria to be classified as a discontinued operation and has been reported as such. Accordingly, comparative information has been represented.

The results of Dynamic Batteries for the year are presented below:

	GROUP	
	2025	2024
	R'000	Represented ¹ R'000
Revenue	58 434	115 548
Cost of sales	(65 492)	(94 315)
Gross profit	(7 058)	21 233
Other operating income and dividend income	79	8
Distribution expenses	(7 988)	(9 446)
Administrative and other operating expenses	(21 498)	(9 347)
Restructuring Costs	(2 333)	
Other operating expenses	(18)	(124)
Operating (loss) / profit before capital items	(38 816)	2 325
Capital items	(7 304)	198
Operating (loss) / profit	(46 120)	2 522
Interest expense	(273)	
(Loss) / profit before taxation	(46 393)	2 522
Taxation	(5 891)	
(Loss) / profit for the year	(52 284)	2 522
<i>¹ Capital items reclassified and represented separately.</i>		
Cash flows utilised by Dynamic Batteries:		
Net cash utilised from operating activities	1 557	719
Net cash utilised from investing activities		(1 394)
Net cash generated from financing activities	(1 660)	
Net decrease in cash and cash equivalents	(102)	(674)
(Loss) / profit for the year from discontinued operations	(52 284)	2 522
Attributable to:		
Equity holders of the company	(52 284)	2 522
	(52 284)	2 522
Earnings/(loss) per share		
Basic (loss)/earnings per share (cents)	(27)	1
Diluted (loss)/earnings per share (cents)	(27)	1

NOTES TO THE FINANCIAL STATEMENTS

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30. ACQUISITION OF SUBSIDIARY

30.1 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 Shareholders 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 a 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 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 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 controls 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 transactions 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).

30.1 CONSOLIDATION OF HESTO (continued)

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

	30 June 2025 R '000
Negative fair value of group 74.9% interest	(355 950)
Carrying amount of equity interest in Hesto	-
Net fair value loss recognised on acquisition date	(355 950)

Step 2 (derecognise the previously held investment in associate and recognise individual identifiable assets and liabilities and related 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 R50 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.

R'000	Book value	Fair value adjustments	Fair value
Property, plant and equipment	758 858		758 858
Intangible assets	372 306	180 166	552 472
Inventories	1 181 409		1 181 409
Trade and other receivables ⁵	776 822		776 822
Deferred taxation assets	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	(358 885)		(358 885)
Metair shareholder loan	(934 500)		(934 500)
Minority shareholder loan	(1 185 523)		(1 185 523)
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
Net assets attributed to the group			(340 908)
Consideration			
Fair value of previously held interest			
Fair value of Associate (<i>Negative Fair Value</i>)			355 950
Gain on elimination of Shareholder Loan			13 561
Loan Receivable (post ECL) from Hesto			(1 171 962)
Loan Payable to Metair ³			1 185 523
Settlement of pre-existing relationship between Metair and Hesto			
Settlement of Financial Guarantee provided to Hesto			21 732
Goodwill recognised/(Gain on bargain purchase)⁴			(50 335)

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

From 1 April 2025 to 31 December 2025, Hesto contributed revenue of R4 092 million and profit after tax of R146 million to the group.

If Hesto was acquired on 1 January 2025, the contributed revenue would have been R5 945 million. Contributed profit after tax would have been R148 million.

³ The loan payable to Metair is recognised in the separate financial statements but eliminated at group level.

⁴ Gain on Bargain purchase is disclosed under Capital items on the income statement

⁵ The trade receivables acquired as part of the transaction were recognised at fair value on initial recognition. Management has the recoverability of these balances with reference to historical payment behaviour and concluded that no material expected allowance is required at reporting date.

NOTES TO THE FINANCIAL STATEMENTS

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30. ACQUISITION OF SUBSIDIARY

30.2 Acquisition of AutoZone

On 13 December 2024, the group acquired 100% shareholding of AutoZone Holdings Proprietary Limited ("AutoZone") through its subsidiary Nikisize (Proprietary) Limited ("Nikisize").

AutoZone is a privately-owned leading distributor of auto parts, spares and car accessories in South Africa, with approximately 169 retail stores and 7 QSV stores. AutoZone entered into business rescue proceedings on 1 July 2024.

The acquisition enhances Metair's ability to diversify strategically within the mobility and aftermarket sectors. It aligns well with the increasingly active used vehicle market in South Africa as well as the anticipated opportunity for growth in the aftermarket parts market. It provides Metair with an established distribution channel to grow its current automotive aftermarket businesses in Southern Africa.

The consideration, as of the completion date of 13 December 2024, comprises the following:

- 30.1. a nominal amount for the acquisition of the shares in AutoZone; and
- 30.2. an aggregate amount of R278.5 million advanced by Nikisize to AutoZone. Applied by AutoZone as follows:
 - 30.2.1. R188.5 million is payable to ABSA to settle ABSA's secured claim; and
 - 30.2.2. R15 million to settle pre-commencement unsecured creditors.

No further targets are attached to the purchase price.

AutoZone was acquired under business rescue, and as a result, the fair value of the acquired net assets exceeded the purchase price on acquisition. Assets acquired mainly related to Inventory, right of use assets and related leasehold improvements. A gain of R195 million has been recognised in capital items in profit or loss as a result of the "bargain purchase" in accordance with IFRS 3.

As allowed under IFRS 3, management has consolidated AutoZone effective from 31 December 2024.

The following table summarises the recognised amounts of assets acquired and liabilities assumed at the date of acquisition and a reconciliation of the cash outflow for the acquisition.

	Notes	GROUP	
		Carrying amount	Carrying amount ¹
		2025	2024
		R'000	R'000
Property, plant and equipment	7		139 846
Inventory			313 909
Trade and other receivables			80 789
Cash and cash equivalents			84 983
Non-current borrowings	15, 19.7		(49 627)
Trade and other payables (including deferred grant income)			(42 822)
Borrowings and financial liabilities	15, 19.7		(53 619)
Total net assets on acquisition			473 459
Gain on bargain purchase			(194 959)
Total consideration			278 500
Less cash acquired			(84 983)
Acquisition of subsidiary net of cash acquired			193 517
¹ It was concluded that the carrying amount of assets acquired and liabilities assumed approximate its fair value.			
Trade and other receivables acquired comprise of:			
Trade receivables			65 519
Less: Allowance for expected credit losses			(3 780)
			61 739
Prepayments and deposits			6 718
Other receivables			12 332
			80 789

From 1 January 2025, AutoZone contributed revenue amounting to R1.7 billion and a profit before tax (excluding capital items) of R55 million.

31. EVENTS AFTER REPORTING DATE AND GOING CONCERN (To be done at year end)

The directors have considered all events subsequent to the reporting date and up to the date of approval of the financial statements. There were no material events that require adjustment to or disclosure in these financial statements.

GOING CONCERN

Management actively monitors the group's liquidity position, debt levels and covenant compliance, with a strategic focus on reducing leverage and restoring a sustainable capital structure over the medium term.

During 2025, the group's lenders refinanced Metair's existing gross debt through two separate funding packages (the "Capital Restructure"): (i) SA Obligor (South African subsidiaries, excluding Hesto); and (ii) Hesto Obligor (Hesto only). The Capital Restructure established a repayment profile aligned with the group's projected earnings growth and cash flow generation over a five-year period.

Furthermore, in 2025, several strategic initiatives were implemented to support improved earnings and cash generation, including, inter alia: (i) enhanced cash management through the implementation of a centralised treasury function; (ii) targeted cost containment measures; (iii) the deferral of non-critical capital expenditure; and (iv) engagement with customers to obtain support for capital investments relating to new vehicle programmes.

In assessing the appropriateness of the going concern basis, the directors considered, inter alia, the group's: (i) latest forecasts and projections of current and expected profitability, taking into account reasonably possible changes in trading performance; (ii) available banking facilities and the continued support from its funders under the Capital Restructure; and (iii) ability to continue operating and generating sufficient cash flows to meet its obligations as they fall due.

Based on this assessment, the directors concluded that there is a reasonable expectation that the group and company have adequate resources to continue operating and to meet their obligations as they fall due for at least the next 12 months from the date of approval of these financial statements.

Accordingly, the consolidated and separate annual financial statements have been prepared on the going concern basis. The directors are not aware of any material uncertainties or events that may cast significant doubt on the group's and company's ability to continue as a going concern.

ACCOUNTING POLICIES

PRINCIPAL ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

BASIS OF PREPARATION

The consolidated and separate financial statements are stated in South African Rand and are prepared in accordance with International Financial Reporting Standards ('IFRS') and its interpretations adopted by the International Accounting Standards Board ('IASB') in issue and effective for the group at 31 December 2025 and the SAICA Financial Reporting Guides, as issued by the Accounting Practices Committee and Financial Reporting Pronouncements as issued by the Financial Reporting Standards Council and the Companies Act.

The consolidated financial statements have been prepared on the historical cost basis, except as disclosed in the accounting policies below. Derivative financial instruments are carried at fair value.

The consolidated financial statements are prepared on the going concern basis.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the group's accounting policies.

The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in note 25.

NEW STANDARDS AND INTERPRETATIONS

Accounting policy developments include new standards issued, amendments to standards, and interpretations issued on current standards as issued by the IASB.

(a) Standards, amendments and interpretations effective for the first time

New standards and amendments adopted by the group:

The group has applied the following amendments for the first time for the annual reporting period commencing 1 January 2025:

- Lack of exchangeability – Amendments to IAS21

The amendments listed above did not have any impact on the amounts recognised in the current and prior periods and are not expected to significantly affect future periods.

(b) Standards, amendments and interpretations not yet adopted by the group

Certain new accounting standards and interpretations have been published that are not mandatory for 31 December 2025 reporting periods and have not been early adopted by the group.

IFRS 18 will replace IAS 1 Presentation of financial statements, introducing new requirements that will help to achieve comparability of the financial performance of similar entities and provide more relevant information and transparency to users. Even though IFRS 18 will not impact the recognition or measurement of items in the financial statements, its impacts on presentation and disclosure are expected to be pervasive, in particular those related to the statement of financial performance and providing management-defined performance measures within the financial statements. Management is currently assessing the detailed implications of applying the new standard on the group's consolidated financial statements.

The group will apply the new standard from its mandatory effective date of 1 January 2027. Retrospective application is required, and so the comparative information for the financial year ending 31 December 2026 will be restated in accordance with IFRS 18.

BASIS OF CONSOLIDATION

The group and company (consolidated and separate) financial statements are included in this report.

(a) Subsidiaries

The consolidated financial statements incorporate the financial statements of Metair and all its subsidiaries from the effective dates of acquisition to the effective dates of loss of control.

Subsidiaries are all entities (including structured entities) over which the group has control. The group controls an entity when the group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the group. They are no longer consolidated from the date that control is lost.

The acquisition method of accounting is used to account for business combinations of subsidiaries by the group. The consideration transferred for the acquisition of a subsidiary is measured at the fair value of the assets transferred, the liabilities incurred to the former owners of the acquiree and the equity instruments issued at the date of exchange. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date, irrespective of the extent of any non-controlling interest ('NCI'). Acquisition-related costs are expensed in the period in which the costs are incurred, or services received.

If the business combination is achieved in stages, the acquisition date fair value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date through profit or loss.

The excess of the consideration transferred, the amount of any NCI in the acquiree and the acquisition date fair value of any previous equity interest in the acquiree over the fair value of the identifiable net assets acquired is recorded as goodwill. If the total of consideration transferred, NCI recognised and previously held interest measured is less than the fair value of the net assets of the subsidiary acquired in the case of a bargain purchase, the difference is recognised directly in the income statement.

Intercompany transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated but considered an impairment indicator of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the group.

The company accounts for subsidiary undertakings at cost less impairment. Advances to subsidiaries by the company, which do not have fixed terms of repayment, are classified as loans to subsidiary companies – current at amortised cost. Accounting policies on intercompany loans, including impairment assessments, is fully discussed in notes 10 and 20.2.

For the company, the equity-settled share-based payment cost is capitalised to the investment in subsidiaries.

Contingent consideration is classified either as equity or a financial liability. Amounts classified as a financial liability are subsequently remeasured to fair value with changes in fair value recognised in profit or loss.

Changes in ownership interests in subsidiaries without change of control

Transactions with NCI that do not result in loss of control are accounted for as equity transactions - that is, as transactions with the owners in their capacity as owners. The difference between the fair value of any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity. Gains or losses on disposals to NCIs are also recorded in equity.

Disposals of subsidiaries

When the group ceases to have control, any retained interest in the entity is remeasured to its fair value at the date when control is lost, with the change in carrying amount recognised in profit or loss. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss.

(b) Non-controlling interest ('NCI')

NCI is valued at the NCI's portion of the acquirer's identifiable assets, liabilities and contingent liabilities at the acquisition date plus the NCI's portion of post-acquisition reserves, excluding the NCI's portion of share-based payment reserve.

NCI is included in equity on the balance sheet and is also reconciled in the statement of changes in equity.

(c) Associate companies

Associates are all entities over which the group has a significant influence but not control, generally accompanying a shareholding of between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting and are initially recognised at cost. The group's investment in associates includes goodwill identified on acquisition, net of any accumulated impairment losses. The group's share of its associates' post-acquisition profits or losses is recognised in the income statement, and its share of post-acquisition movements in other comprehensive income is recognised in the statement of other comprehensive income with a corresponding adjustment to the carrying amount of the investment. The cumulative post-acquisition movements are adjusted against the carrying amount of the investment. When the group's share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured receivables, the group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate. If the ownership interest in an associate is reduced but significant influence is retained, only a proportionate share of the amounts previously recognised in other comprehensive income is reclassified to profit or loss where appropriate.

The group determines at each reporting date whether there is any objective evidence that the investment in the associate is impaired. If this is the case, the group calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value and recognises the amount adjacent to 'share of profit/(loss) of an associate' in the income statement.

Unrealised gains on transactions between the group and its associates are eliminated to the extent of the group's interest in associates. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset

transferred. Dilution gains or losses arising on investments in associates are recognised in the income statement.

If an associated company applies accounting policies that are recognised as being materially different to those adopted by the group, appropriate adjustments are made to the consolidated financial statements, prior to equity accounting.

The group's share of associated earnings less dividends received is transferred to other reserves within the statement of changes in equity. For the purposes of the cash flow statement, dividends received from associates are classified as operating cash flows as these enter into the determination of net profit or loss.

DISCONTINUED OPERATIONS

A discontinued operation is a component of the Group's business, the operations and cash flows of which can be clearly distinguished from the rest of the Group, and which is abandoned or disposed of or is classified as held-for-sale and which represents a separate major line of business or geographical area of operation and is part of a single co-ordinated plan to dispose of such a line of business or area of operations.

Classification as a discontinued operation occurs when disposed of or when the operation is classified as held for sale and meets one of the criteria as outlined above. When an operation is classified as a discontinued operation, the comparative statement of comprehensive income is represented, as if the operation has been discontinued from the start of the comparative period.

First Battery Industrial division is being classified as Held For Sale

The First Battery Industrial division has been classified as a held for sale operation as a result of its intention to sell in the current year (refer to note 29). Accordingly, the statement of comprehensive income has been represented.

FOREIGN CURRENCY TRANSLATION

(a) Functional and presentation currency

Items included in the financial statements of each of the group's entities are measured using the currency of the primary economic environment in which the entity operates (the functional currency). The consolidated financial statements are presented in South African Rands ('ZAR'), which is the company's functional and the group's presentation currency.

(b) Transactions and balances

Transactions denominated in foreign currency are translated at the spot exchange rate into the functional currency at the transaction date and if remeasured, on date of remeasurement. Foreign exchange gains or losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currency, are recognised within profit/loss, except when deferred in other comprehensive income as a qualifying cash flow hedge. Monetary items denominated in foreign currency are translated at the closing rate at the reporting date.

(c) Group companies

The results and financial position of all the group entities that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- (i) Assets and liabilities for each balance sheet presented are translated at the closing rate at the date of that balance sheet;
- (ii) Income and expenses for each income statement are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case

ACCOUNTING POLICIES CONTINUED

- income and expenses are translated at the rate on the dates of the transactions); and
- (iii) All resulting exchange differences are recognised in other comprehensive income. Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets or liabilities of the foreign entity and translated at the closing rate. Exchange differences arising are recognised in other comprehensive income.

INTANGIBLES

(a) Goodwill

Goodwill arises on the acquisition of subsidiaries and represents the excess of the consideration transferred in an acquisition over the group's share in net fair value of the net identifiable assets, liabilities and contingent liabilities of the acquired and the amount of the non-controlling interest in the acquiree. Goodwill on acquisitions of subsidiaries is included in intangible assets.

Goodwill on acquisitions of associates is included in investments in associates and is tested for impairment as part of the overall balance.

Goodwill is tested annually for impairment and carried at cost less accumulated impairment losses. Impairment losses on goodwill are not reversed and is recognised in profit or loss.

The carrying value of goodwill is compared to the recoverable amount which is the higher of value-in-use and the fair value less cost to sell. Goodwill is allocated to CGUs for the purpose of impairment testing. The allocation is made to those CGUs or groups of CGUs that are expected to benefit from the business combination in which the goodwill arose. Each unit or group of units to which the goodwill is allocated represents the lowest level within the entity at which the goodwill is monitored for internal management purposes. Goodwill is monitored at the operating segment level. Gains or losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

(b) Trademarks and licences

Separately acquired trademarks and licences are shown at historical cost. Trademarks and licences acquired in a business combination are recognised at fair value at the acquisition date. Trademarks and licences have a finite useful life and are carried at cost less accumulated amortisation. Amortisation is calculated using the straight-line method to allocate the cost of trademarks and licences over their estimated useful lives of 15 years. The amortisation methods and estimated remaining useful lives are reviewed at least annually.

(c) Customer relationships

Customer relationships acquired in a business combination are recognised at fair value at the acquisition date. These intangibles have a finite useful life and are carried at cost less accumulated amortisation. Amortisation is charged to the income statement on a straight-line basis over their estimated useful lives of 5 to 15 years. The amortisation methods and estimated remaining useful lives are reviewed at least annually.

(d) Brands

Brands acquired in a business combination are recognised at fair value at the acquisition date. Brands are classified into two categories: brands with a finite useful life and are carried at cost less accumulated amortisation (definite lives) and brands which have been assessed by management as an indefinite useful life intangible asset and not subject to amortisation.

The indefinite life intangible assets are tested for impairment annually. The assessment that the estimated useful lives of these assets are indefinite is reviewed at least annually.

Subsequent expenditure on acquired intangible assets is capitalised only when the cost meets the definition and recognition criteria of IAS 38 and the costs can be reliably measured.

(e) Computer software

Acquired computer software licences are capitalised on the basis of the costs incurred to acquire and bring to use the specific software. These costs are amortised over their estimated useful lives.

Costs associated with maintaining computer software programs are recognised as an expense as incurred.

Costs that are directly associated with the production of identifiable and unique software products controlled by the group, and that will probably generate economic benefits exceeding costs beyond one year, are recognised as intangible assets. Direct costs include the costs of software development employees and an appropriate portion of relevant overheads.

Computer software development costs recognised as assets are amortised over their estimated useful lives (3 - 5 years).

(f) Research and development

Research expenditure relating to gaining new technical knowledge and understanding is charged to the income statement when incurred. Development expenditure relating to the production of new or substantially improved products or processes is capitalised if the costs can be measured reliably, the products or processes are technically and commercially feasible, future economic benefits are probable, and the group intends to and has sufficient resources to complete development and to use or sell the asset. All remaining development expenditure is charged to the income statement. Cost includes expenditure on materials, direct labour and an allocated proportion of project overheads.

Amortisation of development costs recognised as assets are written off to the income statement over 3 - 5 years.

PROPERTY, PLANT AND EQUIPMENT

(a) Owned assets

Land and buildings comprise mainly factories and offices. All property, plant and equipment is stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Cost may also include transfers from equity of any gains or losses on qualifying cash flow hedges of foreign currency purchases of property, plant and equipment.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the group and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the income statement during the financial period in which they are incurred.

Land is not depreciated. Depreciation on other assets is calculated using the straight-line method to reduce their cost to their residual values over their estimated useful lives as follows:

Buildings	50 years
Plant, machinery and equipment	3 - 20 years
Vehicles and furniture and fittings	3 - 5 years

Where parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items of property, plant and equipment.

Residual values and useful lives of all assets are reviewed, and adjusted if appropriate, on an annual basis.

In addition, depreciation of an item of property, plant and equipment is to begin when it is available for use and ceases at the earlier of the date it is classified as held for sale or the date that it is derecognised upon disposal. An item of property, plant and equipment is derecognised when no future economic benefits are expected from its use or disposal. Expenditure incurred on the construction of property, plant and equipment is capitalised within property, plant and equipment and depreciated once brought into use.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains or losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised within other operating income and expenses in the income statement.

(b) Spare parts and tooling

Spare parts are classified as plant and equipment rather than inventory when they meet the definition of property, plant and equipment. Tooling used in the production of a specific project is subjected to an economic analysis of contractual relations with the automaker/customer in order to determine which party has control over the tool. Tooling is capitalised as part of plant and equipment only when it meets the definition of an asset.

COST TO FULFILL A CONTRACT

Pre-production engineering and development activities are prerequisite to delivering the subsequent parts as they include creating new or adapting existing technologies to meet the requirements of the OEM prior to the commencement of the serial production. The upfront costs incurred in relation to these activities are capitalised as contract fulfilment assets accounted for under IFRS 15. This includes engineering, process design, drawings, mandatory prototype and testing.

The assets are amortised on straight-line basis over the term of the specific contract consistent with the transfer to the customer of the goods to which the asset relates.

LEASES

Leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the group.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of fixed monthly lease payments (including in-substance fixed payments), less any lease incentives receivable.

The group's leasing arrangements are predominantly standard in nature. Lease terms are negotiated on an individual basis and contain varying terms and conditions. The lease agreements do not impose any covenants other than the security interests in the leased assets that are held by the lessor. Leased assets may not be used as security for borrowing purposes. Leased payments to be made under reasonably certain extension options are also included in the measurement of the liability.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the group, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

To determine the incremental borrowing rate, the group:

- where possible, uses recent third-party financing received by the individual lessee as a starting point, adjusted to reflect changes in financing conditions since third party financing was received;
- uses a build-up approach that starts with a risk-free interest rate adjusted for credit risk for leases held by group entities, which does not have recent third-party financing; and
- makes adjustments specific to the lease, e.g., term, country, currency and security.

Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability;
- any lease payments made at or before the commencement date less any lease incentives received;
- any initial direct costs; and
- restoration costs.

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis.

Payments associated with short-term leases and all leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less. Low-value assets comprise IT equipment and small items of office furniture and generally lower than USD 5 000 per item per ZAR equivalent. Further information on leases can be found in note 7.

IMPAIRMENT OF NON-FINANCIAL ASSETS

Assets that have an indefinite useful life, for example, goodwill, are not subject to amortisation and are tested annually for impairment. The group periodically evaluates the carrying value of property, plant and equipment and intangible assets when events and circumstances warrant such a review. The carrying value of an asset is considered to be impaired when the recoverable amount of such an asset is less than its carrying value.

In that event, a loss is recognised based on the amount by which the carrying value exceeds the recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value-in-use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows ('CGUs').

In assessing value-in-use, the estimated future cash flows are discounted to their present value using a discount rate that reflects current market assessments of time value of money and the risks specific to the asset.

Fair value less costs to sell is the amount obtainable from the sale of an asset in an arm's length transaction between knowledgeable willing parties, less the costs of disposal.

Where it is not possible to estimate the recoverable amount of an individual asset, the group estimates the recoverable amount of the CGU to which the asset belongs.

Non-financial assets other than goodwill that suffered impairment are reviewed for possible reversal of the impairment at each reporting date.

SEGMENT REPORTING

An operating segment is a component of an entity that engages in business activities from which it may earn revenues and incur expenses, whose results are reviewed by the executive decision-makers to allocate resources and to assess its performance.

ACCOUNTING POLICIES CONTINUED

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-makers. The chief operating decision-makers, who are responsible for allocating resources and assessing performance of the operating segments, have been identified as the executive directors that make strategic decisions. The operating activities of the group (predominantly automotive) are structured according to the markets served – AFM Segment and automotive components. Reportable segments derive their sales from the manufacture of predominantly batteries and automotive parts.

COMPARATIVE FIGURES

Certain additional disclosure has been provided in respect of the current year. To the extent practicable, comparative information has also been provided.

INVENTORY

Inventory is stated at the lower of cost or net realisable value, due account being taken of possible obsolescence. The cost of inventories is based on the first-in, first-out principle. The cost of finished goods and work in progress comprises design costs, raw materials, direct labour, other direct costs and appropriate share of production overheads based on normal operating capacity.

Borrowing costs are not capitalised cost of inventory. Net realisable value is the estimated selling price in the ordinary course of business, less applicable variable selling expenses.

CURRENT AND DEFERRED TAX

(a) Income tax expense

The tax expense for the period comprises current and deferred tax. Tax is recognised in the income statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity respectively. The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the reporting date in the countries where the company and its subsidiaries operate and generate taxable income. The charge for current tax is predominantly based on results for the year as adjusted for income that is exempt and expenses that are not deductible using tax rates that are applicable to the taxable income and includes any adjustments to tax payable in respect of prior years.

(b) Deferred tax assets and liabilities

Deferred income tax is recognised, using the liability method on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill; deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that, at the time of the transaction, affects neither accounting nor taxable profit nor loss. Deferred income tax is determined using tax rates (and laws) that have been substantively enacted by the reporting date and are expected to apply when the related deferred income tax asset is realised or deferred income tax liability is settled.

Deferred income tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

(c) Uncertain tax provisions

The group's and company's total direct and indirect taxation liabilities involves judgements given the complexity of the legislations, including those involving estimations, in respect of certain matters where the tax implications are uncertain until a certain matter has been concluded with the relevant taxation authority. The group is subject to tax primarily in South Africa and

other jurisdictions in which it operates. When assessing uncertain tax positions, the group use external professional advisors and seek guidance where need be.

Where acceptance by the taxation authority is probable, current and deferred tax are measure consistently with the tax return and no additional provision is recognised; and where acceptance is not probable, an additional provision is recognised, measured using either the most likely amount.

Deferred income tax is provided on temporary differences arising on investments in subsidiaries and associates, except where the timing of the reversal of the temporary difference is controlled by the group and it is probable that the temporary difference will not reverse in the foreseeable future.

The provision of deferred tax assets and liabilities reflects the tax consequences that would follow from the expected recovery or settlement of the carrying amount of its assets and liabilities. Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

PROVISIONS

Provisions are recognised when the group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the amount of the obligation can be made. The group recognises the estimated liability on all products still under warranty at the reporting date. This provision is calculated based on service histories. The group also recognises a liability for recovering used lead-acid batteries for recycling obligations. A provision is recognised and based on collection rate experience.

TRADE PAYABLES

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities.

Trade payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

COST OF SALES

All costs directly related to the producing of products are included in cost of sales. Costs that cannot be directly linked are included separately or under other operating expenses. When inventories are sold, the carrying amount is recognised in cost of sales. Any write-down, losses or reversals of previous write-downs or losses are recognised in cost of sales.

REVENUE AND OTHER INCOME

Revenue from contracts with customers

General

The group recognises revenue when (or as) a group entity satisfies a performance obligation by transferring a promised good or service to a customer. Goods and services are transferred when (or as) the customer obtains control of that asset. Control of an asset refers to the ability to direct the use of, and obtain substantially all of the remaining benefits from, the asset. Control includes the

ability to prevent other entities from directing the use of, and obtaining the benefits from, an asset.

Revenue from a contract with customers is in scope of IFRS 15, once all of the following criteria are met;

- collection of consideration is probable;
- contract has commercial substance;
- rights and payment terms are identified; and
- approved and parties committed to obligations.

Revenue is measured at the transaction price derived from contracts with customers and is net of volume rebates, discounts and other similar items such as life-time price reductions ('LTRs'), incentives and sales taxes ('VAT'). Intercompany sales have been eliminated for purposes of group consolidation.

The significant specific accounting policies for the group's main types of revenue streams are summarised as follows:

Sale of automotive parts and components including tooling obligations to customers

The automotive components business vertical produces original equipment ('OE') components used in the assembly of new vehicles by original equipment manufacturers ('OEMs') in South Africa as well as spare parts and accessories ('OES'). The group also produces generic and aftermarket products. Products include lights (headlamps and tail-lamps), wire harnesses, suspension springs, radiators, air conditioners and brakes.

The majority of automotive component revenue streams arise from contracts with OEMs and normally span over the vehicle model life which can range from between 5 to 7 years of production, including facelifts.

For the purposes of the segment report, OE revenue is derived from the manufacture of components used in the assembly of new vehicles. Aftermarket revenue includes the manufacture and distribution of parts used to service vehicles already produced by OEMs, known as OES, as well as other generic parts.

Revenue on components and parts sold are recognised on the following basis:

- OEM contractual customers – Over time, i.e., before the parts have been delivered to the customers premises; and
- at the point in time for all other customers i.e., usually when the parts have been delivered and accepted by customer's at their premises.

The group meets the requirements for applying the 'series' guidance for components and spare parts sold to OEMs over-time and therefore, in respect of each non-cancellable customer purchase order (or rolling forecasts received from the customers), the entire quantity of parts required by the customer is accounted for as a single performance obligation for which revenue is allocated and recognised, as the parts are manufactured. Manufacturing and delivery is based on customer-specific production releases.

For all other generic and aftermarket parts, customers obtain control the parts when the goods are delivered to and have been accepted at their premises. Invoices are generated at that point in time. Delivery occurs when the parts have been shipped to the specific location, the risk of obsolescence and loss has been transferred to the customers and the customers have accepted the goods in accordance with their corresponding purchase orders.

Measurement

Revenue for fully completed parts is recognised predominantly on the 'right to invoice' method. Subject to OEM annual pricing reviews, the selling or piece price per component manufactured is usually fixed and agreed by both parties. For semi-completed components and customer specific raw materials committed, revenue is recognised on an input method, being the measure of

progress of manufacturing costs increment to date plus an appropriate margin. This depicts a fair representation of efforts fulfilled, in terms of the overall performance obligations to OEMs. Aftermarket pricing is based on approved price lists.

Revenue adjustments and variations

The transaction price is based on the amount of consideration a group entity expects to be entitled to for each component manufactured and supplied. These include fixed and variable (subject to constraints) elements. Variable consideration encompasses any amount that is variable under a contract including, for example, discounts, rebates, OEM price adjustments and customer's rights to return products.

During the ordinary course of business, OEM customer pricing is normally adjusted to take into account inflationary cost increases in materials (such as steel and copper), economic cost increases for labour and production overheads and foreign exchange rate fluctuations on imported materials. These adjustments are common in our industry and are negotiated and adjusted for in annual pricing reviews or 'APRs'. Pricing changes could also occur as a result of engineering changes due to model facelifts.

Revenue therefore includes some or all of an amount of variable consideration, estimated only to the extent that it is highly probably that a significant reversal in the cumulative revenue recognised will not occur when the uncertainty associated with the variable consideration is resolved. If applicable, revenue is adjusted, on a cumulative catch up basis, for pricing changes on components already supplied (retrospective) to OEMs. Adjustments are based on the most likely amount to be received (or paid), subject to the extent that it does not result in a significant reversal of revenue accumulated.

Contract modifications are applied prospectively (i.e., to future parts supplied) and will only impact future purchase orders and performance obligations.

In certain instances, OEMs request LTRs that is volume linked. When a group entity agrees to grant a customer an option to acquire additional goods or services at a reduced price, that option is a separate performance obligation under the contract if it provides a material right that the customer would otherwise not receive without entering into the contract. Revenue is adjusted based on the anticipated sales over the LTR period and where products sold are substantially the same and the customer is able to buy future units at a reduced price, a relatively consistent price is applied to all parts during the LTR period.

The LTR gives the customer the right to acquire additional parts at a lower price in future and in these specific cases, a portion of revenue is deferred to later in the contract.

Customer tooling requirements

During new vehicle model launches or major facelifts, the group's automotive business units may engage in sourcing, procuring and/or assembly of customer tooling required for the specific parts to be manufactured for the OEM customers. Customer-specific tooling orders are normally outsourced to third-party specialised toolmakers and the costs are recovered with usually no mark up (we have limited pricing influence).

Tooling supply arrangements create separate enforceable rights and performance obligations and revenue is therefore recognised separately. The group is the primary party responsible for the delivery of the tool to the customer and the group controls the tool before the obligation is satisfied. The group therefore accounts for these arrangements as principal and revenue is recognised on a gross basis. Revenue for the tool is recognised progressively ('over time'). Costs incurred to fulfil the contract to date are effectively recognised immediately, since the revenue booked represents recovery of costs incurred, at zero profit margin.

ACCOUNTING POLICIES CONTINUED

Cash advancements or progress payments received from customers are initially classified as contract liabilities.

Revenue from OEM customer specific tooling, that we are engaged to supply for use in the production of customer-specific parts, is recognised over time, as the services are provided and contract assets are raised. The stage of completion to determine the amount of revenue to recognise is based on the cost to cost method. The related costs are recognised in profit or loss when they are incurred. Advances received are included in contract liabilities. Tooling arrangements can differ on a case-by-case basis.

After Market Parts and Retail

The OEM business manufactures automotive batteries for supply to the aftermarket (replacements) through our unique aftermarket distribution channels and independent franchised retail networks ('distributors') as well as to OEMs for new vehicles manufactured. Batteries are also exported to destinations across 'EMEA' from our operations in South Africa, Türkiye and Romania.

Revenue is recognised when control of the batteries has transferred, being at the point in time when the batteries have been delivered. None of the requirements to recognise revenue over time is met.

Delivery occurs when the batteries have been shipped to the specific location, the risk of obsolescence and loss have been transferred to the customers and the customers have accepted the goods in accordance with their corresponding purchase orders.

When a product is subject to delivery to the customer's site, legal title passes when the product is physically handed over. When a product is shipped to the customer free-on-board '(FOB)' shipping point (i.e., exports), legal title passes and the risks and rewards are generally considered to have transferred to the customer when the product is handed over to the carrier.

Arrangements that involve shipment of goods to a customer might include promises related to the shipping service that give rise to a performance obligation. Shipping and handling services may be considered a separate performance obligation if control of the goods transfers to the customer before shipment, but a group entity may promise to ship the goods (or arrange for the goods to be shipped). In contrast, if control of a good does not transfer to the customer before shipment, shipping is not a promised service to the customer. This is because shipping is a fulfilment activity as the costs are incurred as part of transferring the goods to the customer.

The amount of revenue booked is based on the transaction price, which is the full amount of consideration a group entity expects to be entitled to for supplying each battery. OEM pricing is normally also adjusted during the year for movements in forex rates regarding imported subcomponents and the London Metal Exchange index changes ('LME' changes) for lead. These adjustments result in variable consideration. To the extent that forex rates and lead commodity (LME) price changes relate only to batteries that are to be delivered in the future, there is no variable consideration, as there is no variability in the selling price between when control of the battery transfers to an OEM customer and when the selling price is settled. If the price negotiations will impact the transaction price of the parts already supplied, then revenue is adjusted for the revised price as a cumulative catch-up adjustment.

Revenue from aftermarket sales is recognised based on the price quoted to the customer, governed by internal pricing lists, net of any discounts and rebates. Volume discounts, rebates and similar customer incentives are accrued for during the year, based on the most likely amount to be paid and is readily determinable at balance sheet. These amounts are accrued for within trade and other payables (see note 17).

In one group entity, a supply arrangement exists whereby refunds are issued to certain distributors who may be requested to deliver stock, initially sold to them, to other customers of the group entity. The distributor also receives a handling (logistics) fee for this service. The handling fee is expensed as it is a distinct service provided to the group entity. The distributor arrangement effectively permits the customer to return an item for a credit note as stock is re-directed to other customers of the entity. Sales made to distributors, who have a right of return arrangement, are deferred for the amount of revenue the group is ultimately entitled to. Therefore, for goods that will be re-distributed to other customers under this arrangement, revenue is not recognised as it is highly probable that a significant reversal will occur.

A liability is created for the amount of revenue the group entity expects to refund (i.e., products expected to be returned). An asset with a corresponding decrease to cost of sales is created for the right to recover products, at the cost of the initial inventory less any costs to recover the products.

Contract assets and trade receivables

A trade receivable is recognised when the goods are delivered, as this is the point in time that the consideration is unconditional because only the passage of time is required before payment is due. If the group has recognised revenue but not issued an invoice, then the entitlement to consideration is recognised as a contract asset. The contract asset is transferred to receivables when the entitlement to payment becomes unconditional, usually upon collection or delivery of the goods and in the case of tooling, as agreed with the customer.

Warranties

The group's obligation to provide for warranties is recognised as a provision (see note 18). The customer does not have the option to purchase the warranty separately. Refunds are provided for faulty products under the group's standard warranty obligations which are in line with industry practices. The estimated costs are recorded as a liability when the group transfers the product to the customer.

Returned goods are exchanged for new goods and no cash refunds are offered.

Financing components

The group does not expect to have any contracts where the period between the transfer of the promised goods or services to the customer and payment by the customer exceeds one year. As a consequence, the group does not adjust any of the transaction prices for the time value of money. No element of financing is deemed present, sales are consistent with market practice.

Dividends

Dividend income is recognised when the right to receive payment is established.

Interest

Interest income is recognised using the effective interest method. In calculating interest income, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit-impaired).

Sundry and incidental income

The group generates incidental income in the form of sale of scrap such as off-cuts, rental income arising from short-term external rental of portions of owned warehouses, external management fees and other sundry items. These items are accounted for as other operating income and are not regarded as core revenue streams.

GOVERNMENT GRANTS AND SIMILAR INCENTIVES

The group qualifies for certain incentives and allowances mainly linked to investment stimulation and production output such as the Automotive Incentive Scheme ('AIS'), the Enterprise Investment Programme ('EIP'), the Productive Asset Allowance ('PAA'), the Automotive Production and Development Programme ('APDP') and similar other foreign state incentives.

Government grants that compensate the group for the cost of an asset are recognised in the balance sheet initially as deferred income when there is reasonable assurance that they will be received and that the group will comply with the conditions attached to the grants. The grants are amortised to the income statement as other operating income on a systematic basis over the useful life of the asset, or vehicle model life if shorter.

Grants are classified as non-current to the extent that they are long-term in nature.

Government grants that compensate the group for expenses incurred are recognised in the income statement as other operating income when there is reasonable assurance that they will be received and that the group will comply with the conditions attached to the grants. These are recognised over the period necessary to match them with the costs that they are intended to compensate. Grants are recognised at their fair value when there is a reasonable assurance that the grant will be received and the group will comply with all attached conditions.

EARNINGS PER SHARE

Basic earnings per share is expressed in cents and is based on the net profit attributable to ordinary shareholders divided by the weighted average number of shares in issue during the year, excluding ordinary shares purchased by the company (treasury shares).

Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares (incentive shares).

Headline earnings is earnings as determined by IAS 33, adjusted for 'separately identifiable re-measurements', net of related tax (both current and deferred) and related non-controlling interest.

FINANCIAL INSTRUMENTS

(a) Recognition and initial measurement

Financial instruments, consisting of financial assets and financial liabilities, carried at the reporting date by the group include bank and cash, trade receivables, trade payables, borrowings, bank overdrafts and derivative instruments such as forward exchange contracts ('FECs') and interest rate swaps. Trade receivables and trade payables exclude prepayments and certain statutory and employee-related payables for the purposes of financial instruments. Contract assets are also excluded as it does not represent an unconditional right to payment until goods are physically delivered.

Trade receivables are initially recognised when they are originated, in accordance with IFRS 15. All other financial assets and liabilities are recognised on the balance sheet when the group and company become a party to the contractual provisions of the instrument.

A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

Financial assets and liabilities are offset and the net amount reported in the balance sheet when there is a legally enforceable right to offset the recognised amounts and there is an intention to

settle on a net basis or realise the asset and settle the liability simultaneously.

(b) Classification and subsequent measurement Financial Assets

On initial recognition, a financial asset is classified as measured at: amortised cost; FVOCI – debt investment; FVOCI – equity investment; or FVTPL.

Financial assets are not reclassified subsequent to their initial recognition unless the group changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

The consolidated group does not hold debt or equity investments.

Financial assets are classified as current assets if they are expected to be realised within 12-months of the reporting date.

Assessing the SPPI criterion

In order for a financial asset to qualify for amortised cost or FVOCI it needs to give rise to cash flows that are 'solely payments of principal and interest' on the principal amount outstanding. This assessment is colloquially referred to as the SPPI test. It is performed at an instrument level.

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g., liquidity risk and administrative costs), as well as a profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the group considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition.

The trade receivables of the group only involve a single cash flow - the payment of the amount resulting from a transaction in the scope of IFRS 15, which is deemed to be the principal, as stated above. Therefore, the cash flows resulting from the receivables meet the SPPI test of payments of principal and interest despite the interest component being zero in most cases.

Bank and cash are short term in nature and interest income is earned on amounts deposited with the bank. The group recognises these balances at its contractual par amount. The bank balances involve one single cash flow which is the repayment of the principal plus interest accrued at the effective rate. Therefore, the cash flows resulting from these deposits meet the SPPI test of payments of principal and interest.

The contractual cash flows for trade receivables and bank and cash consists solely of principal and interest.

IFRS 9 'Business model' assessment

In addition to the results from the SPPI test, the classification is dependent on the business model under which the group holds the financial assets. An entity's business model for managing financial assets refers to how an entity manages its financial assets in order to generate cash flows. That is, the entity's business model

ACCOUNTING POLICIES CONTINUED

determines whether cash flows will result from either collecting contractual cash flows, selling the financial assets or both.

A business model is typically observable through particular activities undertaken by an entity to achieve its objective, such as how its performance is evaluated, how its managers are remunerated and how its risks are managed, plus the frequency and magnitude of sales. For the purposes of the business model assessment, the group assessed financial assets at a higher level of aggregation. The group has more than one business model for managing its financial instruments and therefore the assessment need not be determined at the reporting entity level.

Amortised cost business model

The group operates an amortised cost business model for financial assets other than derivatives. Trade and other receivables as well as bank and cash are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market.

Our business model is to hold these assets in order to collect contractual cash flows, provided they pass the SPPI test mentioned above. The group manufactures and supplies automotive parts and batteries for the automotive industry. Receivables, arising from the revenue generated, are collected from customers and are based on the agreed contractual terms. This forms an integral component of working capital and credit risk management as well as cash generation for the group. In re-affirming our assessment, we considered:

- the time value of money;
- credit risk;
- terms that limit the group's claim to cash flows;
- liquidity risk;
- administration costs; and
- profit margins applied.

The group's policy for trade receivables as well as bank and cash are to therefore hold to collect the contractual cash flows. Therefore, these are classified and measured at amortised cost.

Amortised cost financial assets are subsequently measured using the effective interest method and are subject to the impairment requirements in IFRS 9. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Gains and losses are recognised in profit or loss when the instrument is derecognised or impaired.

Other business models

All financial assets not classified as measured at amortised cost or FVOCI are measured at FVTPL. IFRS 9 requires financial assets to be measured at FVTPL if they are not held within either a business model whose objective is to hold assets to collect contractual cash flows or within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets.

The group makes use of derivative financial instruments such as forward FECs to manage foreign exchange risk. Derivatives fail the SPPI test. They include considerable leverage which is a non-SPPI feature. Therefore, derivative financial instruments are classified and measured at FVTPL. Refer to section C below for further policies on derivatives and hedging.

On initial recognition, the group may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise. This was not applicable for the year.

Financial liabilities

Financial liabilities are recognised on the transaction date when the group becomes a party to the contract and thus has a contractual obligation and are derecognised when these contractual obligations are discharged, cancelled or expired.

The group classifies its financial liabilities as either at fair value through profit or loss (predominantly derivatives instruments such as FECs and interest rate swaps) or amortised cost.

Financial liabilities are initially recognised on the transaction date at fair value including transaction costs. Subsequently, they are stated at amortised cost using the effective interest method, other than those designated at fair value through profit or loss. Interest expenses and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

Fair value estimation

The fair value of forward exchange contracts is determined using forward exchange market rates at the reporting date. The nominal value less estimated credit adjustments of trade receivables are assumed to approximate their fair values.

Impairment of financial assets

The group recognises loss allowances for ECLs on financial assets measured at amortised cost, as well as on the financial liability recognised for financial guarantee contracts. Loss allowances for trade receivables are always measured at an amount equal to lifetime ECLs, using the simplified approach. See accounting policy on trade receivables for further information. Loss allowances for advances to subsidiaries are calculated using a probability weighted basis for lifetime ECLs. For financial guarantee contracts, the date that the group becomes a party to the irrevocable commitment is considered to be the date of initial recognition for the purposes of assessing the financial instrument for impairment. In assessing whether there has been a significant increase in the credit risk since initial recognition of a financial guarantee contract, the group considers the changes in the risk that the specified debtor will default on the contract

(c) Derivative financial instruments and hedging activities

The group is exposed to market risks from changes in interest rates, foreign exchange rates and commodity prices. The group uses derivative instruments to hedge its exposure to these risks and does not hold or issue derivative financial instruments for trading purposes.

All derivative financial instruments are initially recognised at fair value and are subsequently stated at fair value at the reporting date. Attributable transaction costs are recognised in the income statement when incurred. The recognition of resulting gains or losses on derivative instruments is dependent on the designation of the derivative and the nature of the item being hedged. The group designates derivatives as either:

Hedges of the change in the cash flow associated with a recognised asset or liability or a highly probable forecast transaction (cash flow hedge). For qualifying relationships, the change in the fair value of the hedging instrument is recorded in the cash flow hedge reserve through OCI (to the extent effective). The amount deferred is subsequently recorded in the income statement when the hedged item affects the income statement.

Economic hedges are recognised at fair value through profit and loss. No hedge accounting is applied and all gains and losses on derivatives are recognised in the income statement.

The fair values of derivative instruments used for hedging purposes are disclosed in note 20.5.

The group predominantly uses forward FECs to limit risk in changes in foreign exchange rates. To the extent that a derivative instrument has a maturity period of longer than one year, the fair value of these instruments will be reflected as a non-current asset or liability.

Financial guarantee contracts

Financial guarantee contracts are recognised as a financial liability at the time the guarantee is issued. The liability is initially measured at fair value and subsequently at the higher of:

- the amount determined in accordance with the expected credit loss model under IFRS 9 Financial Instruments; and
- the amount initially recognised less cumulative amortisation recognised in profit and loss.

The fair value of financial guarantees is determined based on the present value of the difference in cash flows between the contractual payments required under the debt instrument and the payments that would be required without the guarantee, or the estimated amount that would be payable to a third party for assuming the obligations.

Where guarantees in relation to loans or other payables of associates are provided for no compensation, the fair values are accounted for as contributions and recognised as part of the cost of the investment. The nominal contractual values of financial guarantees are not recorded in the balance sheet. The nominal value together with any ECL considerations are disclosed in Note 20.2 financial risk management (credit and liquidity risk).

TRADE RECEIVABLES

Trade receivables are recognised at the transaction price as measured and defined in IFRS 15, Revenue from contracts with customers and subsequently measured at amortised cost using the effective interest method, less provision for impairment.

The group applies the simplified approach to providing for expected credit losses prescribed by IFRS 9, which requires lifetime credit losses to be recognised from initial recognition of all receivables and contract assets. Refer to note 20.2 B – credit risk management for further details on impairment policies.

CASH AND CASH EQUIVALENTS

Cash and cash equivalents are carried in the balance sheet at carrying value, measured at amortised cost.

Cash and cash equivalents comprise cash on hand, deposits held on call with banks and other short-term, highly liquid investments with original maturities of three months or less, all of which are available for use by the group unless otherwise stated.

Cash and cash equivalents include bank overdrafts that are repayable on demand and form an integral part of the group's cash management.

BORROWINGS

Borrowings are recognised initially at fair value, net of transaction costs incurred. In subsequent periods, borrowings are stated at amortised cost using the effective interest method; any difference between proceeds (net of transaction costs) and the redemption value is recognised in the income statement over the period of the borrowing. Borrowing costs are expensed unless capitalised as part of the cost of a qualifying asset, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Borrowings are classified as current liabilities unless the group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

Preference shares, which are mandatorily redeemable on a specific date, or at the option of the shareholders, or if dividend payments are not discretionary are classified as liabilities. The dividends on these preference shares are recognised in the income statement as interest expense.

EMPLOYEE BENEFITS

Remuneration of employees is charged to the income statement. Short-term employee benefits are those that are expected to be settled wholly before 12 months after the end of the annual reporting period in which the services have been rendered. Short-term employee benefit obligations are measured on an undiscounted basis and are charged to the income statement as the related service is provided.

Long-term employee benefits are those benefits that are expected to be wholly settled more than 12 months after the end of the annual reporting period in which the services have been rendered and are discounted to their present value. An accrual is recognised for accumulated leave, incentive bonuses and other employee benefits when the group has a present legal or constructive obligation as a result of past service provided by the employee, and a reliable estimate of the amount can be made.

Retirement benefits

The group operates a number of defined contribution plans, the assets of which are generally held in separate trustee-administered funds. The plans are generally funded by payments from employees and by the relevant group companies taking account of the recommendations of independent qualified actuaries.

(a) Defined contribution pension plans

For defined contribution pension plans, the group pays contributions to privately administered pension insurance plans on a mandatory, contractual or voluntary basis. The group has no further payment obligations once the contributions have been paid. The contributions are recognised as employee benefit expenses when they are due.

Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

(b) Defined benefit (post-employment) medical aid benefits

Some group companies provided post-employment health care benefits to their retirees until 31 December 1996. Employees who joined the group after 1 January 1997 do not receive this benefit. The entitlement to post-retirement health care benefits is based on the employee remaining in service up to retirement age and electing to participate in the scheme. Valuations of these obligations are carried out by independent qualified actuaries.

The liability recognised in the balance sheet is the present value of the defined benefit obligation at the reporting date. The plans are unfunded.

The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of government bonds that are denominated in the currency in which the benefits will be paid and that have terms to maturity approximating to the terms of the related liability. The discount rate used is interest rates of high quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating to the terms of the related obligation. In South Africa there is no deep and liquid market in such bonds and therefore the market rates on government bonds are used.

Actuarial gains or losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to other comprehensive income in the statement of comprehensive income as re-measurements, in the period in which they arise. Past-service costs are recognised immediately in the income statement.

ACCOUNTING POLICIES CONTINUED

(c) Long service

The group pays its employees a long service benefit after a specified period of continuous service. The benefit is paid in the month the employee reaches the milestone. The method of accounting and frequency of valuation are similar to those under the defined schemes. The actuarial valuation to determine the liability is performed annually.

(d) Bonus plans

The group recognises a liability and an expense for bonuses and similar items based on a formula that takes into consideration, among others, the profit attributable after certain adjustments. The group recognises a provision where contractually obliged or where there is a past practice that has created a constructive obligation.

(e) Share-based payment transactions

The group operates an equity-settled share-based payment compensation plan. The fair value of share options, share appreciation rights, bonus shares and performance shares granted to group directors and senior executives are recognised as an employee expense with a corresponding increase in equity. The fair value is measured at grant date and expensed over the period during which the employee becomes unconditionally entitled to the equity instruments. The fair value of the instruments granted is measured using generally accepted valuation techniques, taking into account the terms and conditions upon which the instruments are granted excluding the impact of non-market vesting conditions.

Fair value is measured using the Black Scholes, Binomial tree and Monte-Carlo option pricing models where applicable. The expected life used in the models has been adjusted, based on management's best estimate, for the effects of behavioural considerations such as volatility, dividend yield and the vesting period. The fair value takes into account the terms and conditions on which these incentives are granted and the extent to which the employees have rendered service to the reporting date.

Non-market vesting conditions are included in assumptions about the number of options that are expected to become exercisable. At each reporting date, the entity revises its estimates of the number of options that are expected to become exercisable. It recognises the impact of the revision of original estimates, if any, for equity-settled share-based payments, in the income statement, with a corresponding adjustment to equity.

The grant by the company of options over its equity instruments to the employees of subsidiary undertakings in the group is treated as a capital contribution. The fair value of employee services received, measured by reference to the grant date fair value of equity instruments granted, is recognised over the vesting period as an increase to investment in subsidiary undertakings, with a corresponding credit to equity in the parent entity accounts.

The group's net vesting impact on the vesting of share-based payment obligations is transferred to retained earnings within the statement of changes in equity.

INVESTMENT TAX CREDITS ('ITC')

The group uses the 'flow-through' method under which the tax benefit from an ITC is recorded immediately as a reduction in current income tax expense (income tax credit) in the period that the credit is generated. The amount recognised is the actual tax reduction, indicated by the tax authorities, which is deducted from corporate tax calculated at reporting date.

If there are significant ongoing performance obligations or a less than probable likelihood of not committing to a project objective or outlay, the 'deferral' method, under which the tax benefit from an ITC is deferred and amortised within income tax provision over the lesser of the project or asset useful life, is applied.

STATED CAPITAL

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds. Where a group company purchases the company's equity stated capital (treasury shares), the consideration paid, including any directly attributable incremental costs (net of income taxes), is deducted from equity attributable to the company's equity holders until the shares are cancelled, reissued or disposed of. Where such shares are subsequently sold or reissued, any consideration received, net of any directly attributable incremental transaction costs and the related income tax effects, is included in equity attributable to the company's equity holders. Dividends received on treasury shares are eliminated on consolidation.

TOOLING DEBTORS AND CREDITORS

The group also facilitates tooling arrangements in terms of which it sources and oversees the manufacture of certain moulds on behalf of its customers.

Deposits received from customers for tooling arrangements are recorded as contract liabilities under IFRS 15 (previously tooling creditors). Prepayments paid to suppliers for tooling arrangements are recorded as tooling debtors or prepayments.

DIVIDENDS PAYABLE

Dividend distribution to the company's shareholders is recognised as a liability in the financial statements in the period in which the dividends are approved by the company in a general meeting or by the board.

DIVIDENDS WITHHOLDING TAX

Dividends withholding tax is a tax on shareholders receiving dividends and is applicable to all dividends declared on or after 1 April 2012. The group withholds dividends tax on behalf of its shareholders at a rate of 20% on dividends declared. Amounts withheld are not recognised as part of the group's tax charge but rather as part of the dividend paid recognised directly in equity. Where withholding tax is withheld on dividends received, the dividend is recognised at the gross amount with the related withholdings tax recognised as part of tax expense unless it is otherwise reimbursable in which case it is recognised as an asset.

INVESTMENTS IN SUBSIDIARIES AND ASSOCIATES

AS AT 31 DECEMBER 2025

	Type	Issued share capital		Direct/ (indirect) interest		Direct/ (indirect) cost of shares less impairment	
		2025 R'000	2024 R'000	2025 %	2024 %	2025 R'000	2024 R'000
SUBSIDIARIES							
Automotive components							
Hesto Harnesses (Pty) Ltd	ordinary.	1	1	(74.9)			
Smiths Manufacturing (Pty) Ltd	ordinary			(75.0)	(75.0)	(4 500)	(4 500)
Lumotech (Pty) Ltd	ordinary	1 200	1 200	(100.0)	(100.0)	(20 000)	(20 000)
Alfred Teves Brake Systems (Pty) Ltd	ordinary	15	15	(100.0)	(100.0)	(15)	(15)
Automould (Pty) Ltd	ordinary			(100.0)	(100.0)	(28 194)	(28 194)
Unitrade 745 (Pty) Ltd	ordinary			(100.0)	(100.0)		
Smiths Electric Motors (Pty) Ltd	ordinary			(75.0)	(75.0)		
Auto Plastics (Pty) Ltd	ordinary	2	2	(100.0)	(100.0)	(25 477)	(25 477)
Aftermarket, Retail and Distribution							
Metair Aftermarket Parts and Retail Pty Ltd	ordinary			(100.0)		(278 500)	(278 500)
Metindustrial (Pty) Ltd	ordinary	500	500	(100.0)	(100.0)		
Rombat SA**	ordinary	76 010	76 010	(99.4)	(99.4)	(437 393)	(437 393)
Dynamic Battery Services Limited~	ordinary	2	2	(100.0)	(100.0)	(31 000)	(31 000)
First National Battery Retail (Pty) Ltd	ordinary			(100.0)	(100.0)		
Tiangi Investments (Pty) Ltd	ordinary			(100.0)	(100.0)		
Intermediate holding and management services							
Inalex (Pty) Ltd	ordinary	493 695	493 695	100.0	100.0	493 695	493 695
Nikisize (Pty) Ltd	ordinary	52 695	52 695	(100.0)	(100.0)	(52 695)	(52 695)
Metair Management Services (Pty) Ltd	ordinary			(100.0)	(100.0)		
Business Venture Investments No 1217 (Pty) Ltd	ordinary			(100.0)	(100.0)		
Metair International Cooperatief U.A.*	ordinary	2 978 352	2 978 352	(100.0)	(100.0)		
Metair Energy Solutions B.V*	ordinary			(100.0)	(100.0)		
Metair Akü Holding Anonim							
Properties							
SMSA Property (Pty) Ltd	ordinary	3 000	3 000	(75.0)	(75.0)		
Honeypenny (Pty) Ltd	ordinary			(100.0)	(100.0)	(6 850)	(6 850)
Climate Control Properties (Pty) Ltd	ordinary	2	2	(100.0)	(100.0)	(2)	(2)
Direct interest						493 695	493 695
Indirect interest						(884 626)	(884 626)

INVESTMENTS IN SUBSIDIARIES AND ASSOCIATES

CONTINUED

	Type	Issued share capital		Direct/ (indirect) interest		Direct/ (indirect) cost of shares less impairment	
		2025 R'000	2024 R'000	2025 %	2024 %	2025 R'000	2024 R'000
ASSOCIATES							
Hesto Harnesses (Pty) Ltd	ordinary		1		(74.9)		
Associated Battery Manufacturers (East Africa) Ltd ¹	ordinary	953	953	(25.0)	(25.0)	(177 343)	(118 272)
GmbH + Co.KG ²	capital			(25.1)	(25.1)		
MOLL Grundstücks- und Co. KG ²	capital			(25.1)	(25.1)		
Tenneco Automotive Holdings SA (Pty) Ltd	ordinary	1 233	1 233	25.1	25.1		
Valeo Systems South Africa (Pty) Ltd	ordinary	1	1	49.0	49.0		
Vizirama 112 (Pty) Ltd	ordinary			33.0	33.0		
Eye2square Innovations (Pty) Ltd	ordinary			(20.0)	(20.0)		
GroupAuto Pty Ltd	ordinary			(10.0)			
Denso Sales South Africa (Pty) Ltd	ordinary			(49.0)	(49.0)		
Direct interest							
Indirect interest						(177 343)	(118 272)

All subsidiaries and associates are incorporated in South Africa except for:

* Metair International Cooperatief U.A. and Metair Energy Solutions B.V - Netherlands

** Rombat SA - Romania

*** Mutlu group is incorporated in Türkiye, consists of the following:

- Metair Akü Holding Anonim Şirketi
- Mutlu Holding Anonim Şirketi
- Mutlu Akü ve Malzemeleri Sanayii Anonim Şirketi (Mutlu Akü)
- Mutlu Plastik ve Ambalajı Sanayi Anonim Şirketi (Plastik)
- Metair Gayrimenkul Proje Kiralama Anonim Şirketi (Mutlu Property)

~ Dynamic Batteries - United Kingdom

` Associated Battery Manufacturers (East Africa) Limited - Kenya

`` MOLL group are registered partnerships in Germany and consists of the following entities:

- Akkumulatorenfabrik MOLL GmbH & Co. KG (currently in liquidation process)
- MOLL Grundstücks- und Vermögensverwaltungs GmbH & Co. KG
- MOLL Beteiligungsgesellschaft GmbH
- MOLL Grundbesitz GmbH

METAIR
INVESTMENTS LIMITED

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