METAIR INVESTMENTS LIMITED
(Incorporated in the Republic of South Africa)
Registration number: 1948/031013/06
ISIN: ZAE000090692
JSE and A2X share code: MTA
("**Metair**" or the "**Company**" or the "**Group**")

OPERATIONAL UPDATE AND TRADING STATEMENT FOR THE 12 MONTHS ENDED 31 DECEMBER 2025

OPERATIONAL UPDATE

Introduction

As reported by the National Association of Automobile Manufacturers of South Africa (NAAMSA), South Africa's new-vehicle sales market delivered a solid performance during the 12-month period ended 31 December 2025 ("**FY2025**" or the "**Period**"), recovering to levels exceeding those recorded in the pre-pandemic period in 2019. While new vehicle sales increased by a credible 15.7% to 597 014 (FY2024: 515 976) during the Period, this was heavily weighted towards imported vehicles, which increased by a significant 30.4% to 408 890 (FY2024: 313 594).

However, despite a recovery in a major customer's volumes following the engine certification issue in 2024, South African original equipment manufacturer ("**OEM**") passenger and LCV production increased by only 1.48% to 602 302 in 2025. South African OEMs have also faced strong competition in export markets alongside the competition in the local market, resulting in exports increasing by only 4.4% during FY2025. In addition, the local aftermarket experienced challenging market conditions.

Against this background, the Group continued to focus on areas within its control, entrenching continuous operational improvement and efficient project management, as well as flexing production and costs to increase resilience, enhancing margins, and improving returns on invested capital. Specific focus areas during the Period included manufacturing excellence in supplying to OEM customers and bedding down AutoZone Holdings Proprietary Limited ("**AutoZone**") to facilitate planned growth in the aftermarket segment.

The Group established the Metair Aftermarket Parts and Retail division at the end of FY2025. The division consists of five distinct and separate verticals, AutoZone, MOVE, ATE, First Battery Retail, and QSV. The divisionalisation approach enhances strategic clarity, operational efficiency, and financial transparency, enabling the Group to better serve distinct markets and customer segments, whilst maintaining brand and channel independence.

This diversification strategy of growing the Aftermarket Sector is ongoing. Bedding down AutoZone as the business emerges from business rescue is tracking approximately six-months behind plan, but Metair remains confident in the turnaround.

To increase agility, Metair has also restructured, right-sized, and closed certain operations, allowing the Group to adapt dynamically to market shifts and volume fluctuations. In this regard, the following operations closed during the Period:

(i) the Industrial division of First Battery, where importing and selling inverters and standby battery systems proved uneconomical; and
(ii) Dynamics Batteries in the United Kingdom, which was closed as part of our strategy to focus on the African market.

Pleasingly, the continued improvement initiatives at Hesto Harnesses (“**Hesto**”), the Group’s largest subsidiary, resulted in higher revenue and improved operating profit.

Update regarding the European Commission’s Statement of Objections

Metair shareholders (“**Shareholders**”) are referred to previous announcements regarding the European Commission’s (“**Commission**”) investigations into battery manufacturers in Europe. As disclosed in the announcement published on SENS on 15 December 2025, the Commission issued a ruling imposing a total fine of EURO 20.2 million (R413 million, based on the prevailing exchange rate) on Rombat SA (“**Rombat Fine**”). Whilst the Group is considering all of its legal options regarding the matter, the Rombat Fine will be fully provided for by Rombat for FY2025. Metair refutes the decision by the Commission regarding the legal presumption that Metair exercised decisive influence over Rombat in this matter.

Results from continuing operations (unless otherwise stated)*

Group revenue is expected to increase by between 53% and 58% year-on-year (FY2024: R11 376 million), driven by the inclusion of Hesto as a subsidiary with effect from 1 April 2025 and AutoZone for the full Period. Earnings before interest and taxation (“**EBIT**”)**, is expected to range between R1 070 million (+96%) and R1 110 million (+103%) (FY2024: R546 million) at an EBIT margin of between 6.0% and 6.2% (FY2024: 4.8%). EBIT benefited from the wide-ranging recovery initiatives, stronger volumes and the inclusion of Hesto from 1 April 2025. This was offset by the inclusion of losses from AutoZone, reflecting its recovery phase as it emerges from business rescue.

Segmental update

As announced in the interim results for the six months ended 30 June 2025 (“**2025 Interim Results**”), the Group has restructured its operations into two core segments. This was to realign the business operations’ strategic shift and reset as defined in 2024. The two core segments are:

- the OEM Direct Component Manufacturing segment (“**OEM Segment**”): supplying components directly to OEMs; and
- the Aftermarket Parts and Retail segment (“**AFM Segment**”): primarily focused on serving the independent aftermarket and retail distribution channels.

OEM Segment

OEM revenue for FY2025 is expected to increase by between 63% and 68% (FY2024: R7 081 million), with an EBIT margin expected of between 7.5% and 8.5% (FY2024: 5.3%). This growth is primarily driven by the inclusion of Hesto as a subsidiary from 1 April 2025 and stable volumes in the rest of the OEM businesses. The EBIT margin increase was further supported by cost-reduction and operational-improvement initiatives implemented during the FY2024 and continuing into FY2025.

If Hesto had been included for the full twelve months in both comparative periods, OEM revenue would have increased by between 4% and 6%, with EBIT margins improving to between 7.5% and 8.0% (FY2024: 5.2%).

AFM Segment

Revenue from the AFM Segment is expected to increase by between 40% and 44% (FY2024: R4 296 million), driven largely by the inclusion of AutoZone.

The AFM Segment EBIT margin is expected to decline to between 3.9% and 4.1% (FY2024: 6.2%) due to the FY2025 EBIT loss recorded by AutoZone, which is in a stabilisation phase, and an expected decrease in First Battery South Africa EBIT margins to more normalised levels in FY2025 as noted in the 2025 Interim Results.

At First Battery South Africa, sales volumes declined slightly in FY2025, with c. 1 515 million batteries sold compared to 1 536 million in FY2024. At Rombat S.A in Romania, volumes sold improved by 3% to 2 885 million batteries (FY2024: 2 812 million), supported by an improvement in both their local aftermarket and OEM sales.

Liquidity and debt

As previously reported, on 10 March 2025, the board of directors of Metair ("**Board**") and Metair's lenders approved a capital restructuring plan ("**Capital Restructure**") designed to provide Metair with a more sustainable debt structure and repayment terms more appropriately aligned. The Capital Restructure allows for a repayment profile that matches expected earnings growth and cash flows over five years.

The SA Obligor R3.3 billion refinance, comprising the South African subsidiaries excluding Hesto, was concluded in April 2025, and the Hesto Obligor R1.4 billion refinance was concluded in June 2025. In addition, the SA Obligor has implemented a cash sweep programme, which has yielded positive results and increased control of Group cash.

While Metair continues to be impacted negatively by high interest paid on its outstanding debt, the restructured debt package has provided the Group with a more sustainable debt structure and appropriately aligned repayment terms. We are pleased to report that all the covenants of the SA Obligor, including the earnings before interest, tax, depreciation and amortisation ("**EBITDA**") requirements, were met during the year. In addition, the covenants of the Hesto Obligor were also met.

Management continues to monitor the debt levels and liquidity closely to ensure that all covenants are met over the remaining periods of the debt package.

CONCLUSION

Metair is pleased with the progress achieved during the Period in its core operational results. Margins have improved through our restructuring and optimisation efforts, which, together with a recovery in volumes, have increased profitability. Hesto's enhanced performance is now well-entrenched, and ongoing initiatives to stabilise AutoZone are bearing fruit.

TRADING STATEMENT

In terms of paragraph 3.4(b) of the JSE Limited Listings Requirements, companies are required to publish a trading statement as soon as they are satisfied that a reasonable degree of certainty exists that the financial results for the period to be reported upon next, will differ by at least 20% from the financial results for the previous corresponding period.

The accounting for Hesto as a subsidiary with effect from 1 April 2025 is expected to result in a significant once-off net capital loss of approximately R300 million, primarily due to the recognition of losses from Hesto not accounted for previously. This item is eliminated in the calculation of headline earnings per share ("**HEPS**") but is included in the calculation of earnings per share ("**EPS**"). In addition, Rombat is expected to provide R413 million for the Rombat Fine which is expected to negatively affect the overall results.

Metair is in the process of finalising its financial results for FY2025, and Shareholders are accordingly advised as follows:

Earnings guidance from continuing operations

In respect of the Group's earnings from continuing operations, the Company expects to report:

<u>Excluding the Rombat Fine</u>: (*Metair believes that these earnings numbers represent the most appropriate reflection of the underlying performance of the business during the period*)

- HEPS is expected to be between 185 cents and 195 cents (FY2024: 105 cents*), being an increase of between 76% and 86%; and
- EPS is expected to be between 28 cents and 35 cents (FY2024: 155 cents*), being a decrease of between 82% and 77%, due primarily to the once-off net capital loss relating to the accounting for Hesto as a subsidiary with effect from 1 April 2025

<u>Including the Rombat Fine</u>:

- a headline loss per share of between 18 cents and 24 cents (FY2024: HEPS of 105 cents*); and
- a loss per share of between 178 cents and 185 cents (FY2024: EPS of 155 cents*), due primarily to the once-off net capital loss relating to the accounting for Hesto as a subsidiary with effect from 1 April 2025 together with the provision for the Rombat Fine.

Total earnings guidance including discontinued operations

In respect of the Group's total earnings, the Company expects to report:

- a headline loss per share of between 63 cents and 70 cents (FY2024: headline loss per share of 203 cents), being an improvement of between 69% and 66%; and
- a loss per share of between 228 cents and 235 cents (FY2024: loss per share of 2 146 cents) being an improvement of approximately 89%.

* *As was reported in the 2024 Integrated Annual Report, the Mutlu transaction in Türkiye was successfully finalised in FY2024 which significantly derisked the balance sheet.*

In addition, 2024 reported revenue and EBIT have been re-presented for the two divisions (Dynamic Batteries and First Battery Industrial division) which have been classified as discontinued operations in the current year in accordance with IFRS 5.

The previously presented results for FY2024 have been re-presented to facilitate comparability.

*** EBIT - calculated as operating profit before interest and taxation but excluding the impact of capital items (the Rombat Fine, impairment of non-financial assets, and profit / loss on disposals and acquisitions).*

The *pro forma* financial information included in this announcement has been prepared in accordance with the Group's accounting policies, is provided for illustrative purposes only and, because of its nature, may not fairly represent the financial performance of the Group.

The financial information contained in this announcement is the responsibility of the Board and has not been audited, reviewed, or reported on by the Group's external auditors.

The annual financial results are expected to be published on or about Wednesday, 11 March 2026.

9 February 2026
Johannesburg

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