

Metair Investments Limited

(Incorporated in the Republic of South Africa)

(Registration number 1948/031013/06)

ISIN: ZAE000090692

Share code: MTA

("Metair" or the "Group")

OPERATIONAL UPDATE

Lithium-Ion technology

The Metair board ("**Board**") is pleased to announce that Prime Batteries and Rombat have successfully completed the installation of the Group's first Lithium-Ion battery cell manufacturing and assembly facility in Bucharest, Romania. This facility has a production capacity of between 0.6 million and 1 million cells per annum. The commissioning of this facility is progressing according to plan with production anticipated to begin in the second quarter of 2020. This project marks the conclusion of Metair's €13.6 million greenfield development capital for Lithium-Ion technology, started in 2017.

Turkey operational update, and changes to Mutlu Aku's board and management

In spite of geopolitical challenges in Turkey, Metair remains positive in regard to the market outlook as it enters the typical critical seasonal year-end high demand cycle.

Following the resignation of Mutlu Aku's chief executive officer ("**CEO**") in November 2019 and until a new CEO is appointed to the Mutlu Aku board, Metair management, including Messrs Theo Looock and Sjoerd Douwenga, will assist the local management team. Furthermore, the Board will further strengthen the existing Mutlu Aku independent board, currently comprising four members, with the appointment of two independent non-executive Metair directors, Messrs Manfred Muell and Billy Mawasha. The enlarged independent board will oversee the appointment of a new CEO to the Mutlu Aku board.

South African vehicle manufacturing

Although there have been production challenges in the South African OEM market, the long-term prospects remain positive, with several customers confirming new vehicle launches and investments. Metair is currently in negotiations to secure additional business related to the new models.

Strategic update

The Board is pleased to announce the outcome of the strategic review process designed to enhance shareholder value, as disclosed in the 2018 Integrated Report, as follows:

- The Board has concluded that the two business verticals, Automotive Components and Energy Storage, are in different strategic positions and that a managed separation of the two verticals will unlock value for stakeholders.
- The Board has received unsolicited expressions of interest for the Energy Storage vertical, and in particular, Mutlu Aku in Turkey. The Board believes that shareholders' interest will be best served by exploring the best way to unlock shareholder value, which will include the consideration of either keeping the business as a separate vertical, or potentially selling the business. The Board will engage with shareholders on this matter.
- In the interim, Metair remains focused on maximising the value potential for the Energy Storage vertical and on executing on the growth and expansion opportunities available for the Automotive Components vertical.

Johannesburg
11 December 2019

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