

Metair Investments Limited

(Incorporated in the Republic of South Africa)

(Registration number 1948/031013/06)

ISIN: ZAE000090692

Share code: MTA

(“**Metair**” or the “**Company**”)

OPERATIONAL UPDATE

Shareholders are hereby advised that in line with the previous operational update announcement published on SENS on 14 May 2020, detailing Metair’s Covid-19 strategic response (“**Covid-19 Strategic Response**”) and outlining the 6 pillars of the Covid-19 Strategic Response, the board of directors of Metair (“**Board**”) has approved the investments required to support the Automotive Components Vertical business’ planned multi-stepped U-shaped Covid-19 recovery plan that is designed on the planned launch of several new models by almost all of the major Original Equipment Manufacturers (“**OEMs**”) in South Africa over the next 2 to 3 years.

Metair secured key contracts to support Ford’s investment into the South African automotive industry. The Board’s approval of a R900 million capital investment, including major investments in greenfield facilities, will create approximately 3 300 new employment opportunities. This project is estimated to generate between R25 billion and R28 billion of turnover over the model life from mid 2022, depending on the final project volumes and launch date.

The total funding requirements are estimated to be around R1.3 billion for Metair with the capital investment in property, plant and equipment estimated to be in excess of R900 million. This commitment will include the construction of a new manufacturing facility in Stanger, northern KwaZulu Natal. A new logistics facility will also be established in Silverton, Gauteng, where Ford’s manufacturing plant is located.

In addition to Metair’s Hesto Harnesses, which will be the largest beneficiary supplying a wide range of wire harnesses, a number of other subsidiaries will support Ford, including Unitrade, Automould and Lumotech, with a variety of wires, plastic and chrome plated parts, as well as headlights and taillights. All investments are expected to deliver returns in line with Metair’s targets over the life of the contracts.

In response to the disruptions caused by the Covid-19 pandemic across the automotive industry, Metair developed Vision 2022, which will shape its designed recovery, by leveraging OEMs new model launches as well as planned stimulus measures from various governments and industry associations globally. Securing Ford as a major customer is a critical step in ensuring the long-term growth and sustainability of the Automotive Components Vertical business. The Board remains cognisant of the Company’s solvency and liquidity ratios in the current operating environment and will therefore closely monitor and review actual capital commitment and optimal timing requirements.

The information contained in this announcement does not constitute an earnings forecast. The financial information provided is the responsibility of the directors of Metair, and such information has not been reviewed or reported on by the Company’s auditors.

Johannesburg
5 June 2020

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