metrofile

INTEGRATED ANNUAL REPORT 2024

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Our reporting guideline

This integrated annual report accords with the parameters of the Companies Act, No. 71 of 2008 (Companies Act), the JSE Listings Requirements and the principles of King IV™ reporting. Reference is made to the UN Global Compact and the UN Sustainable Development Goals as well as the GRI Standards (our GRI content index can be found online *www.metrofile.com/investor-relations/*).

The Group's annual financial statements were prepared in accordance with IFRS Accounting Standards as issued by the IFRS Accounting Standards Board, the SA financial reporting requirements, the requirements of the South African Companies Act, No 71 of 2008, as amended (Companies Act) and the Listings Requirements of the JSE Limited (JSE). This integrated annual report has been compiled in accordance with the principles of the International Integrated Reporting Council's (IIRC) International Reporting (IR) Framework.

Metrofile's Board of Directors and management have endorsed the IR Framework's concepts, guiding principles and content elements. This report contains a number of extracts and quotes from the King IV™ report. The Group recognises and respects the Institute of Directors in South Africa's copyright and trademarks in relation to King IV™ and this is accordingly acknowledged.

About this report

Thank you for reading Metrofile Holdings Limited's (Metrofile) integrated annual report. Our report aims to provide our stakeholders with a concise, material, transparent and understandable assessment of our governance, strategy, prospects, business model and performance.

During the year, we continued our review of our environmental, social and governance (ESG) strategy, management and reporting to further refine our approach. We are embedding ESG practices in all our operations and business activities in order to better manage our impact on our stakeholders and the environment, in line with our ESG framework and roadmap. It is our intention to create sustainable value for all our stakeholders (S) in a responsible way (G) while making a positive impact on the environment (E). In this report we refer to our approach and progress on our ESG journey.

Feedback

We welcome your feedback on this report.

Please email your comments to
info@metrofileholdings.co.za

Although this report is produced specifically for shareholders and stakeholders, it complements further information provided on our website: *www.metrofile.com* and other media.

Preparation and presentation

Metrofile's 2024 integrated annual report was prepared for the period 1 July 2023 to 30 June 2024 and covers the global operations and activities of Metrofile Holdings Limited and its subsidiaries. The executive directors and senior management were instrumental in preparing this report and the Board has fulfilled its responsibilities in terms of the principles of the King Report on Governance South Africa 2016 (KingIV™).

The business model and value creation

To assist with clarity of understanding for the reader, we have utilised the IR Framework 'six capitals' and 'business model' concepts to show how Metrofile creates value.

Materiality determination

The principle of materiality informed our preparation of this report. We consider a matter to be material if it can substantively affect the Group's ability to create and sustain value over the short-, medium- or long-term. The Board and management are of the view that the material matters published in this report offer a balanced mix of information, allowing readers to assess the Group's performance and prospects. These material matters were identified through our risk management process, strategy deliberations and stakeholder engagement. Matters raised through stakeholder engagement are assessed in terms of urgency and the stakeholder's influence and legitimacy.

Purpose

This integrated annual report is intended to concisely and accurately inform our stakeholder universe of our strategy, governance, performance and prospects in terms of value creation over the short-, medium- and long-term.

Forward-looking statements

Many of the statements in this integrated annual report constitute forward-looking statements. These are not guarantees or predictions of future performance. As discussed in the report Metrofile faces risks and other factors outside its control which may lead to outcomes unforeseen by the Group. These factors are not reflected in the report. Readers are cautioned not to place undue reliance on forward-looking statements. Any forward-looking statements in this report have not been reviewed and reported on by the external auditor of the Company.

Directors' statement of responsibility

Our process of integrated reporting continues to evolve and at this stage the Group has not sought external assurance of the content or part thereof apart from the annual financial statements, on which the external auditor, BDO South Africa Incorporated, has provided assurance, as confirmed in the independent auditor's report included in the annual financial statements available on the Company's website.

The Board, assisted by its Audit, Governance and Risk Committee and other sub-committees, is ultimately responsible for overseeing the integrity of the integrated annual report. The directors are responsible for the accuracy of financial information included in the annual financial statements in this report. The directors confirm that the Company complies with the laws of establishment and its MOI.

The Board has applied its collective mind to the preparation and presentation of the integrated annual report and concluded that it is presented in accordance with the IIRC (IR) Framework. On the recommendation of the Audit, Governance and Risk Committee, the Board of Directors approved the 2024 integrated annual report on 23 October 2024.

Phumzile Langeni
Chairman

Pfungwa Serima
Outgoing Group CEO

Our vision, mission and core values

Metrofile's vision, mission and values are centred around delivering a quality, trusted service to our clients and creating sustainable value for stakeholders. We have a value driven mindset which focuses on creating value in the social/ people, environment, economic and governance dimensions.

Our vision

To be our clients' trusted records and information management partner.

Our mission

Helping our clients address challenges and leverage opportunities; always looking for better ways; directional, never static; embracing change.

Our values

Our five core values guide us in being a trusted partner to our stakeholders.

We show commitment

We are passionate about, and committed to, providing quality service to our clients above all else.

We act with integrity

We earn trust by consistently doing things the right way and delivering on our commitments every day. We hold ourselves accountable for results, creating a culture of responsibility and reliability.

We manifest resourcefulness

We act with courage and creativity and are agile and adaptable in finding new and smarter ways to grow our Company and each other to achieve a better and more sustainable future for all.

We embody collaboration

We work together, across boundaries, to meet the needs of our clients and develop mutually beneficial relationships. We appreciate that, as teams, we can do more.

We embrace diversity

We know it takes people with different ideas, strengths, interests and cultural backgrounds to make our Company, and our clients, succeed.

Who we are

Over the past four decades, Metrofile has established a credible and trusted reputation of being a proven market leader with deep expertise, and innovator in information governance and management, offering quality products and specialised services to organisations of all sizes and sectors across South Africa, Kenya, Botswana, Mozambique and the Middle East. We operate from 72 facilities at 36 locations covering 119 000 square meters of warehousing space.

Metrofile's services assist clients in structuring, managing and accessing their information in any format, in any location, at any given time. Our clients are guided to ensure that adherence to legislative requirements is met and that their most valuable asset, their information, is protected. In addition to partnering our clients on their digital transformation journey, we have retained our core offerings, such as the physical management of records and information.

Our digital offerings include the provision of data management services, including cloud backup, disaster recovery and specialised hosting in a private cloud, as well as business process optimisation through the use of advanced electronic information management systems. By providing end-to-end processes and services across all aspects of the information management lifecycle, we are well placed to meet the evolving demands of our clients and to assist them on their digital transformation journey. We expertly handle management of both physical and electronic records, ensuring seamless organisation and accessibility.

Data and information management is growing in importance as the world becomes increasingly digitally connected. As the value of transforming raw data into usable information becomes widespread, Metrofile's solutions enhance the value of data which is becoming an increasingly sought-after resource.

Our end-to-end information management lifecycle solution enables our clients to bridge any gaps in their digital transformation journey. From content management and publishing capabilities to storage, archiving, search and analytics management across many content types – images, videos, files, audio – clients can optimise their content and make it available throughout their organisation anytime, anywhere.

Metrofile assists clients to maximise their data's potential value with our 4-pillar optimisation solution to assist in eliminating the mistakes and risks involved in storing, managing and accessing their information. This includes records management, cloud, content services and information advisory services (refer to page 14).

Facilities
72
(FY23: 70)

Warehousing
119 000
sq metres space
(FY23: 117 525)

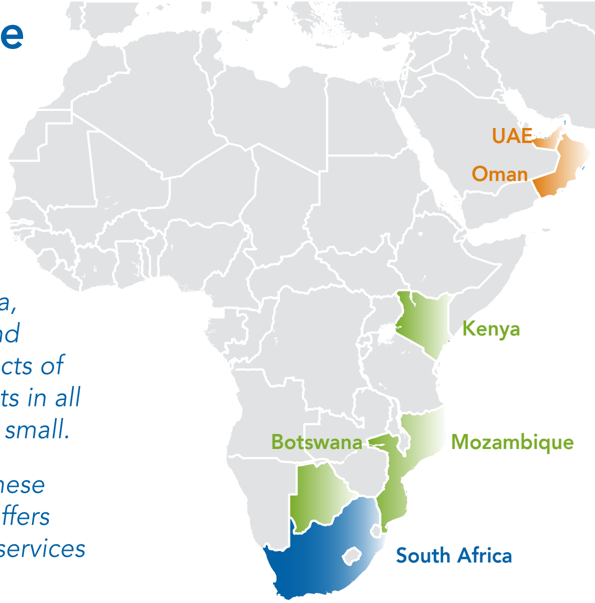
Locations
36
(FY23: 35)

Paper
8 373
tons recycled
(FY23: 9 000 tons)

Backups
2.1
TB daily business data backups
(FY23: 1.3TB)

Storage
11.1
million boxes in storage
(FY23: 11.1m)

Our global presence



We are a multinational company, with a footprint across South Africa, Botswana, Kenya, Mozambique and the Middle East, servicing all aspects of information management for clients in all industries, no matter how large or small.

The combined capabilities of all these businesses ensure that Metrofile offers holistic information management services from inception to destruction.

Non-South African operations

MRM Rest of Africa

With physical offices in Botswana, Kenya and Mozambique and a wide network of partners, Metrofile is well positioned to offer our services to the rest of Africa.

These services include all aspects for comprehensive and specialised records management solutions, inclusive of storage and information records management, indexing, retrieval, tracking, scanning, data storage, destruction and consultancy work. With these services remaining at the core of our business, our vision of expanding in the digital space is realising pleasing growth.

We see opportunities through the content services that we offer, as well as services in the cloud space.

With deep expertise in ensuring that regulations are adhered to, our client base includes financial services, healthcare, retail, mining, construction and telecommunications industries.

Botswana | Kenya | Mozambique

MRM Middle East

Since inception in 2006, we have earned a reputation for being a trusted and preferred service provider to fulfil the full spectrum of records and information management.

Digital services have yielded significant growth with several opportunities for expansion identified within the UAE and the broader region.

Our solutions for document scanning, digital transformation and document management systems streamline document workflows, reducing storage requirements while increasing accessibility.

While we lead with digital, physical records and information management services continue to grow in the region, leading to further opportunities in the digital space.

United Arab Emirates | Oman

South African operations

MRM South Africa

With a strong brand, credible reputation and collaboration with our customers, MRM South Africa is a leading end-to-end solution provider for physical and digital records and information management.

Our comprehensive records management solutions are backed by a reliable sales and service force, an extensive fleet and world-class secure facilities, ensuring customer satisfaction and effective records management across South Africa.

MRM provides an integrated electronic filing system across multiple departments and divisions, to capture, create, access, distribute, use, store, secure and retrieve the records and information entrusted to us for safekeeping. Our process, which includes barcoding with advanced tracking capabilities to significantly reduce the risk of misplacing documents, seamlessly integrates into a client's system ensuring immediate access to information by multiple users from any location.

We provide services to manage information through its complete lifecycle, including records management, cloud, content services and information advisory services.

Since inception more than 40 years ago, we have grown our client base to include many flagship multinationals across all industries and public sector departments. As our offerings can be scaled and customised to accommodate organisations of any size or in any sector, our clients also include medical practices, churches, universities and schools.

Products and services

Our products and services suite of offerings includes Tidy Files, Cleardata, Metrofile VYSION and IronTree.

During the year we decided to close the Tidy Files manufacturing component. Effective 1 August 2024 Metrofile sold the assets and brand name to a third party.

Cleardata has 10 269 consoles in businesses across South Africa, and is one of the main providers of onsite and offsite secure document destruction processes that comply with all legislative requirements. Our services include certification of destruction as well as outsourced paper recycling.

Metrofile VYSION is a business process optimisation service provider. Using best-in-class technology and our deep understanding of document management, we streamline and optimise business processes by eliminating manual and paper processes to drive efficiency, to reduce costs and eliminate human errors, saving clients' time to focus on core business. Our services consist of tailored advisory services, workflow optimisation, robotic process automation, and seamless integration with existing systems. Managed on our Electronic Document Management System (EDMS) platform, Metrofile VYSION ensures a smooth and secure transformation of our clients' business information into valuable knowledge, unlocking the full potential of our clients' data.

IronTree provides data management services including cloud backup, disaster recovery and specialised server hosting in a private cloud. We also offer cybercrime and ransomware prevention, ongoing privacy law compliance management, and business continuity planning services. These services enable our clients to prevent disasters that could impact their organisations and to manage their systems and data effectively within a legal framework.

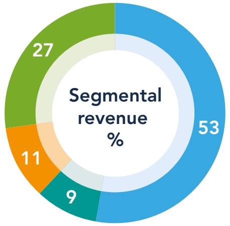
Salient features

Revenue	Operating profit*	EPS
R1 141m	R200m	3.9c
↑1%	↓22%	↓88%

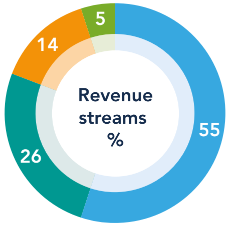
HEPS	DPS	Improvement in net debt**
16.5c	14c	R537m
↓49%	↓22%	↓9%

* *Operating profit before retrenchment and closure costs and impairment of goodwill*
** *Excluding lease obligations and including acquisition related liabilities*

Summarised segmental information

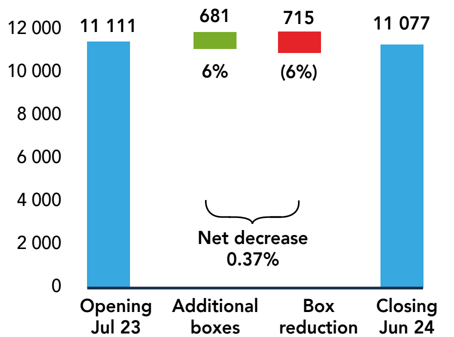


	R'000
MRM South Africa	605 548
MRM Rest of Africa	104 315
MRM Middle East	119 601
Products and Services South Africa	311 082



	R'000
Secure storage	624 028
Digital services	298 317
Products and solutions	157 619
Business support services	60 582

Box movements ('000)



R'000	Revenue		EBITDA	
	Audited 12 months ended 30 June 2024	Audited 12 months ended 30 June 2023	Audited 12 months ended 30 June 2024	Audited 12 months ended 30 June 2023
MRM South Africa	605 548	625 973	209 575	255 790
MRM Rest of Africa	104 315	104 651	56 920	44 288
MRM Middle East	119 601	98 646	7 148	27 238
Products and Services South Africa	311 082	305 110	53 239	52 432
Central and Eliminations	–	–	(39 545)	(35 066)
Total	**1 140 546**	**1 134 380**	**287 337**	**344 682**
South African operations	916 630	931 083	223 269	273 156
Non-South African operations	223 916	203 297	64 068	71 526

R'000	Operating profit		Tangible assets	
	Audited 12 months ended 30 June 2024	Audited 12 months ended 30 June 2023	As at 30 June 2024	As at 30 June 2023
MRM South Africa	173 751	212 246	751 107	750 380
MRM Rest of Africa	39 777	27 096	157 218	144 143
MRM Middle East	2 148	22 288	110 551	101 058
Products and Services South Africa	34 498	33 057	117 376	135 595
Central and Eliminations	(50 404)	(40 067)	(11 385)	(16 249)
Total	**199 770**	**254 620**	**1 124 867**	**1 114 927**
South African operations	157 845	205 236	857 097	869 726
Non-South African operations	41 925	49 384	267 770	245 200

Chairman's statement

Introduction

The global economy over the past year has continued to be characterised by an uncertain environment driven primarily by geopolitical conflict, trade disruptions and tensions, plus changes brought about by increasing technological advances.

South Africa's economy and political landscape has been marked by a mix of challenges and incremental improvements. Politically, the country ushered in a new era with the formation of the Government of National Unity (GNU), after the ANC lost the majority it had held since the dawn of democracy in 1994. The expected shift in the political landscape was evident prior to the elections held on 29 May 2024. Uncertainty which plagued financial markets led to sharp increases in the country's risk premium coupled with increases in spreads leading to trade across financial markets drying up as traders and investors sat on the sidelines. This however improved slightly after the announcement of the election results and the acceptance thereof. A marked shift in market sentiment was evident post the formation of the GNU, as trading volumes returned, the currency clawed back losses and asset prices showed an upward trend.

Economically, the country has faced both external and internal headwinds from persistent high unemployment, anaemic GDP growth, a continued high interest rate environment, and a burdened fiscus, to inflationary pressures. These headwinds have been partly exacerbated by global economic uncertainties and domestic structural inefficiencies, which in the main are a result of slow adoption of much needed economic and structural reforms in the SA economy.

There have also been positive signs, such as the creation of the Government of National Unity, the reduction of loadshedding and electricity outages, a crack-down on corruption and increased investment in infrastructure projects,especially renewables aimed at stimulating economic activity and creating jobs.

Strategy

Our focus over the past four years, of accelerating our digital product footprint and market penetration, which was accelerated by the acquisition of IronTree during this period and the introduction of new digital and new age approaches to our product suite such as the Metrofile VYSION offerings, has ensured we remain in step with our clients in an ever-evolving world of technology. We have seen a marked shift from paper to more digital-enabled products and solutions. This change, which has been accelerated across various sectors and industries, has been driven by technological advancements and evolving business needs. These have been significantly influenced by the increased adoption of remote work and digital collaboration tools. This has necessitated organisations to rapidly transition to digital document management systems, cloud storage solutions, and electronic communication channels to enhance efficiency, reduce operational costs, and improve accessibility.

We are confident that our focus on the four core areas of the business: records management, cloud services, digital content services, and information advisory services – enabled by an innovative suite of offerings plus our go-to-market strategy which champions our end-to-end approach, across all aspects of the information management lifecycle – will continue to meet the evolving demands of our clients and to assist them on their digital transformation journey.

Financial performance

The Group's performance this year was disappointing, having been significantly impacted by loss of margin in key contracts and services in our MRM and UAE businesses. Revenue increased by 1% to R1 141 million (FY2023: R1 134 million), EBITDA decreased by 17% to R287 million, operating profit by 22% and HEPS by 49%. The net debt improved by 9% to R537 million due to strong cash generation, despite a R70m payment of the Iron Tree *agterskot*.

I am pleased that mitigating measures introduced by management during the later part of the 2024 financial year have borne fruit. I am equally encouraged by a positive start to the 2025 financial year. While we expect trading conditions to remain challenging, we anticipate that the strategic initiatives we have undertaken will underpin recovery in the operational and financial performance.

"Our strategy is focused on growth in the four core areas of the business: records management, cloud services, digital content services and information advisory services."

Phumzile Langeni
Chairman

Chairman's statement continued

ESG

Our ESG approach continues to be enhanced at strategic and operational level. Our ESG framework is embedded in the operations and our roadmap ensures that ESG elements are measured and reported on annually to better manage the impact on our stakeholders and the environment.

BEE

We have worked tirelessly to ensure that BEE is integral to the business, evidenced by Metrofile retaining its Level 1 B-BBEE status.

Our intentional efforts to transform our organisation are yielding fruit; as a Company we have seen significant improvement in representation at the senior management level.

Corporate governance

Metrofile continually reviews and reinforces its governance standards, maintaining compliance with the spirit and the letter of the relevant laws.

The Board remains cognisant of maintaining board diversity, the need to transform all aspects of the Company and the effective implementation of governance policies.

The ongoing focus on improving corporate governance reflects Metrofile's commitment to fostering a more robust, ethical, and transparent business which is good business practice, and beneficial for all stakeholders.

Changes to the Board

At the time of this report the Board comprises two executive and seven non-executive directors of whom five are independent.

Mr Pfungwa Serima has advised the Board of his wish to chart a new path and explore new opportunities after three decades in corporate leadership roles. Effective 30 September 2024, Pfungwa resigned as Group Chief Executive Officer. He will however continue to be available to the Group on a full-time basis until 31 December 2024 to facilitate a smooth transition.

Pfungwa has made an invaluable contribution in pivoting the Group and driving its digital strategy. Revenue from digital services has increased from less than 1% at the time he joined to 26% at the end of the 2024 financial year. Another milestone during Pfungwa's tenure was the business crossing the R1 billion revenue mark.

The Board thanks Pfungwa for his years of leadership and wishes him well as he pursues the next chapter of his career.

The Board welcomes the appointment of Mr Thabo Seopa as its Group Chief Executive Officer from 1 October 2024. Thabo has been an independent non-executive director of Metrofile. Thabo recently served as interim Chief Executive Officer of AfriGIS, a geospatial information data science company; previously he served as the CEO and Managing Director of Trudon, the publishers of the Yellow Pages and Phone book. Thabo joins at a time when the Company continues to build on its digital strategy.

Shivan Mansingh was appointed Managing Director of Metrofile Records Management South Africa with effect from 1 October 2024. Shivan will continue in his role as Group Chief Financial Officer until a suitable replacement is found, following which he will continue to serve as an Executive Director of the Group.

Appreciation

I also take this opportunity to thank my colleagues on the Metrofile board for their support and wise counsel during what has been a challenging year. I extend gratitude to our leadership, executives, management and staff for their continued commitment and effort in ensuring we are a better partner to our clients, customers and stakeholders.

Phumzile Langeni
Chairman

CEO's report

Introduction

Metrofile continues to be a credible and trusted leader in information governance and management offering quality products and specialised services to organisations of all sizes and sectors across South Africa, Kenya, Botswana, Mozambique and the Middle East.

2024 challenges and actions

We started the 2024 year with high expectations following a good performance in the previous financial year. Unfortunately, our operational and financial performance was well below expectations due to a number of challenges.

The challenges encountered during the 2024 financial year included management and personnel changes across the business, slower growth than anticipated, process challenges in the scanning centres and margin erosion in the Middle East. In response we have introduced mitigating actions to prevent a recurrence.

We have reviewed and improved our recruitment, implemented enhanced training and development programmes for new and existing employees, and focused on KPIs and performance management. We have also addressed sales responsibilities, pricing, customer delivery and strict contract management.

Innovation, collaboration and cross-selling have been accelerated, together with new initiatives to enhance our service offering to our clients.

In the scanning centres, we are monitoring disciplined adherence to operational processes and ensuring enhanced customer engagement. There has been a focus on resolution of queries and improved payment collections.

We remain cautious of the low margin environment in the Middle East and the pressure on EBITDA and will continue to monitor the situation in that region.

Strategy

The expansion of our core capabilities in digital and cloud services has distinguished Metrofile from our traditional competitors. Technology plays a significant role in the way we drive our business. The positive IronTree performance continues and has strengthened our cloud services' offering.

Our strategic direction remains focused on the four key areas of records management, digital content services, cloud services and information advisory services, underpinned by data migration, enterprise information management, business continuity management and digital risk management across all our businesses.

ESG

Our ESG strategy, overseen by the Social, Ethics and Transformation Committee of the Board, and driven by the executive committee, continues to be embedded across the business. Our ESG roadmap contains targets and reporting standards for every operation and we have increased our disclosure this year in the ESG section of this report (pages 32 to 42).

The implementation of solar in our business is enabling the generation of renewable energy to run our South African operations. This has lessened our dependence on purchased electricity, and diesel to run generators during electricity outages. We expect to achieve a reduction of non-renewable energy use of between 10% and 15% by 2025 due to the use of solar.

We have maintained our Level 1 B-BBEE status and as a regulation-driven business, we have robust governance structures, policies and procedures.

Review of operations

The 2024 financial year was characterised by lower demand in certain areas of our business and a challenging operating environment.

Demand for cloud services remained strong and now contributes 32% (2023: 26%) of our digital services revenue. Confidential destruction gained further traction due to the continued adoption of POPIA legislative requirements and positive results from our customer acquisition strategy.

Furthermore, we noted increased office activity as our paper services improved however box volumes remained flat.

"Innovation, collaboration and cross-selling have been accelerated, together with new initiatives to enhance our service offering to our clients."

Pfungwa Serima
Outgoing Group CEO

CEO's report continued

MRM South Africa

Revenue from MRM South Africa reduced by 3% to R606 million (2023: R626 million) mainly as a result of lower product sales and lower revenue from digital services which was offset by growth in secure storage following an improved price mix as well as higher paper services. Operating profit was down by 18% to R174 million (2023: R212 million) and operating margin reduced due to the lower than inflationary growth in revenue as well as internal process challenges within our scanning centres.

Corrective action was taken during the fourth quarter of the 2024 financial year and we have started the 2025 financial year well, with improvements in MRM South Africa and enhanced EBITDA margins. Cash collections in July and August 2024 have increased following the successful resolution of various long-standing customer queries, enhanced customer engagement and the successful resolution of some operational challenges.

Following the action plans to address the 2024 challenges and an enhanced focus on customer service, we have started to yield positive results as demonstrated by an increase in pipeline growth over the past month, both in secure storage as well as requests for digitisation through IPC. Pleasingly, we are experiencing positive activity in the public sector and we expect this to yield higher sales conversion in the 2025 financial year.

MRM Rest of Africa

MRM Rest of Africa consists of operations in Kenya, Botswana and Mozambique. Revenue reduced by 1% to R104 million (2023: R105 million) and operating profit increased by 47% to R40 million (2023: R27 million) following a positive resolution on a long-standing dispute with a customer in Kenya. Excluding this item, margin was similar to the previous year and operating profit was marginally lower than the prior year. MRM Kenya experienced an overall decline in financial performance that resulted in an impairment of R54 million of goodwill. With new management now in place in Kenya we are confident of improved trading and financial performance in the 2025 financial year and going forward.

MRM Middle East

MRM Middle East consists of operations in the United Arab Emirates and Oman. This region continued to grow and expand its digital project pipeline with revenue increasing by 21% to R120 million (2023: R99 million). Operating profit decreased by 90% to R2 million (2023: R22 million) due to a significantly lower margin on an isolated project as well as lower margins on a new project. Given the competitive environment, we remain cautious of low margins as well as pressure on EBITDA.

Products and Services South Africa

Our Products and Services South Africa suite of offerings includes Tidy Files, Cleardata, Metrofile VYSION and IronTree.

Overall, revenue increased by 2% to R311 million (2023: R305 million) with operating profit increasing by 4% to R35 million (2023: R33 million) mainly as a result of growth experienced in IronTree, offset by poor financial performances from Tidy Files and Metrofile VYSION.

Metrofile VYSION's performance was significantly lower compared to the prior period, with workflow automation related sales reducing due to a longer than anticipated sales cycle. IronTree continues to grow ahead of expectations and we are currently planning the expansion of its services into the other geographies in which we operate.

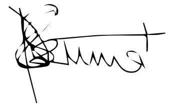
During the 2024 financial year, a decision was taken to close the Tidy Files manufacturing component and sell the company's assets and brand name.

Outlook

We expect continued challenges in the 2025 financial year, but are confident that the measures we have introduced will underpin improved revenue, margins and profitability.

Appreciation

As I bid farewell to Metrofile, I would like to thank the Chairman and Board members for their leadership and guidance over my eight year tenure. I appreciate the support of our shareholders and their belief in the Company. My thanks to the management team and the Metrofile employees for their contribution and commitment. I wish Thabo Seopa success and fulfilment in his role as the new Group CEO.



Pfungwa Serima
Outgoing Group CEO

CFO's report

Introduction

Results for the 12 months ended 30 June 2024 were negatively impacted by low volume growth across the business and a challenging trading environment, with revenue marginally increasing by 1% and EBITDA declining by 17% year on year. Pleasingly, cash generation from operations for the year increased by 12% to R309 million contributing to a 9% reduction in net debt, excluding lease liabilities.

Financial review

Revenue

Revenue increased by 1% to R1 141 million (2023: R1 134 million), due to price increases offset by lower volume growth. Demand for cloud services remained strong and now contributes 32% (2023: 26%) of our digital services revenue.

Secure storage contributed 55% to Group revenue and was up 5% due to a favourable box rate mix as well as increased paper services following additional requests from our clients, mainly in the retail sector, particularly in the second half of the financial year. Closing box volumes for the Group remained flat at 11.1 million (2023: 11.1 million) as at 30 June 2024. Gross box volume intake increased by 6% from new and existing clients and was offset by destructions and withdrawals of 6%, with the majority of destructions occurring in the first and fourth quarter of the financial year. Net box volumes decreased in South Africa by 1% but showed growth in the Rest of Africa and the Middle East of 3% and 13% respectively.

Digital services contributed 26% to Group revenue and remained flat year on year following a reduction in content services and the digitisation of physical records, particularly in South Africa. This reduction was offset by continued growth in cloud services, with a notable increase in hosting. Digital services continued to be our second largest revenue contributor and despite a weaker period, this solution offering has been our largest growth area over the recent years.

Products and solutions' revenue decreased by 11% as demand for filing solutions through Tidy Files was lower than anticipated, particularly from the public sector. Business support services decreased by 11% following a reduction in work area recovery services offset by an increase in confidential destruction. Products and solutions and business support services contributed 14% and 5% respectively to Group revenue.

Operating profit

Operating profit, before impairments, retrenchment, and closure costs, reduced by 22% to R200 million (2023: R255 million). This was mainly due to low growth in revenue, inflationary cost pressures, as well as a significant reduction in profit margins in the Middle East. We anticipate an improvement in margin going forward, following cost reduction interventions, particularly in South Africa.

Cash and debt

Improvements in working capital resulted in a 12% improvement in cash generated from operations. Net finance costs were 17% higher at R68 million (2023: R58 million) due to net debt and an increase in interest rates. Net debt, including acquisition related liabilities, reduced by 9% to R537 million (2023: R587 million). During the period, we concluded the payment of the final tranche of R70 million in relation to the IronTree acquisition as a result of significant growth in the business since acquisition. Interest-bearing liabilities were refinanced during the period following a revised debt facilities' agreement, with the new term facilities effective on 31 August 2023. This process has resulted in total debt facilities of R852 million comprising R752 million committed and R100 million uncommitted as at 30 June 2024.

Operational challenges

The three areas that contributed to our poor performance in FY2024 were MRM South Africa, the largest business in the Group, the Middle East operation and our Products and Services business, specifically Tidy Files and Metrofile VYSION.

Operational and process difficulties in our MRM SA image processing centres, where we convert paper records to digital formats, were addressed in the third quarter but not in time to positively impact our profitability. These issues were exacerbated by lower market demand driven by slow decision-making in the public sector and some areas

"Digital services continued to be our second largest revenue contributor and despite a weaker period, this solution offering has been our largest growth area over the recent years."

Shivan Mansingh
Group CFO

CFO's report continued

of the private sector ahead of elections. Although there were delays, some of these opportunities are now being realised and we anticipate a positive effect in the FY2025 year.

Historically, the Middle East has been a steady and predictable contributor, however increase in market competition resulted in Metrofile Middle East adopting a customer retention strategy that reduced margins. While we do not believe that this situation is sustainable in the long-term, we believe that it could continue for the short-term.

The continuous reduction in demand in the Tidy Files business resulted in our decision to close the manufacturing facility and sell the assets and brand name.

We have and are continuing to improve the cost base, resolve the process issues and concentrate on our sales and customer focus. While the IronTree cloud offering is small relative to the traditional business, it is growing steadily and consistently each year and will contribute positively to future performance.

Share buy-back programme

During the first half of the 2024 financial year, the Company purchased 1 479 985 shares (R4.4 million) at an average price of R2.97 per share, with a total of 11 524 739 treasury shares held at 30 June 2024. The Company's issued share capital at the period end was 433 699 958 shares (422 175 219 net of treasury shares).

Dividend declaration

The dividend cover policy range of between 1.5x and 2.0x remains in place. The Board declared a final cash dividend of 7 cents per share, bringing the total dividend for the year to 14 cents per share.

Outlook

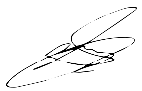
We anticipate trading conditions to remain challenging throughout the 2025 financial year, however strategic initiatives undertaken are expected to support recovery in the financial performance. We have seen a positive start to the 2025 financial year, resulting from these initiatives and actions, in addition to driving a more sales focused approach across the business. The closure of Tidy Files' manufacturing operations will further support the improvement in the margins of the Group going forward. While we do not expect an immediate change in the environment in the Middle East, we have implemented various measures to mitigate current challenges.

We remain agile in our approach as we adapt to the change in competitive landscape. We expect to continue to generate positive free cash flow in the 2025 financial year, with a focus on de-gearing our balance sheet.

Our key priorities for the 2025 financial year are to effect the turnaround of MRM South Africa, launch add-on services to IPC, preferably on an annuity base model, continue to grow cloud services, expand geographically into Saudi Arabia and introduce cloud services into Kenya. We will also complete the closure and exit of Tidy Files, focus on further de-gearing the balance sheet, drive our East African growth strategy through the new management team in Kenya and effectively manage the competitor situation in the Middle East.

Appreciation

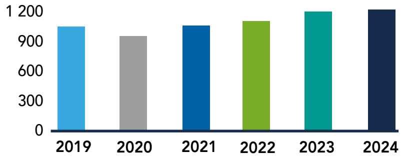
I would like to thank the Metrofile team for their contribution during a difficult year and encourage them to embrace the turnaround strategy so as to improve the performance in FY2025. My special thanks to the finance team for the production of the results and this integrated report.



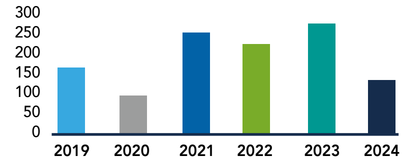
Shivan Mansingh
Group CFO

Six-year review

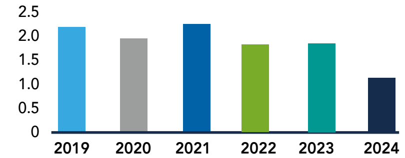
Revenue (Rm)



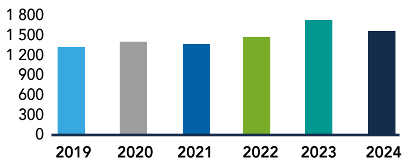
Operating profit before finance costs (Rm)



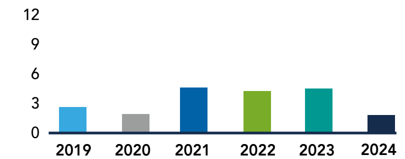
Dividend cover (times)



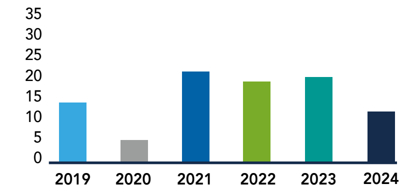
Total assets (Rm)



Interest cover (times)



Return on capital employed (%)



R'000		2024	2023	2022	2021	2020	2019
Income statement							
Revenue		1 140 546	1 134 380	979 677	933 465	903 272	913 415
Operating profit before finance costs		126 268	254 620	234 508	240 801	82 661	150 460
EBITDA		287 337	344 682	324 782	322 651	301 696	271 173
Net finance cost		(67 533)	(57 619)	(48 780)	(49 447)	(67 317)	(69 375)
Profit before taxation		58 735	197 001	185 728	191 354	17 348	81 085
Taxation		(36 119)	(57 912)	(46 390)	(49 384)	(33 743)	(55 342)
Profit/(loss) after taxation		22 616	139 089	139 338	141 970	(16 395)	(4 558)
Non-controlling interests		6 001	1 175	5 750	3 664	(1 570)	(12 117)
Attributable profit/(loss)		16 615	137 914	133 588	138 306	(14 825)	7 559
Balance sheet							
Assets							
Property, plant and equipment		611 966	606 524	609 699	595 454	598 162	581 113
Intangibles and goodwill		367 961	443 336	440 138	357 814	367 159	496 182
Right-of-use asset		104 413	111 818	129 582	113 337	126 185	–
Long-term receivables		–	3 500	3 500	3 500	–	3 500
Deferred taxation asset		16 295	17 080	13 730	14 136	12 177	5 128
Current assets excluding cash		346 319	334 452	255 092	231 140	237 367	254 612
Cash resources		62 169	58 632	40 541	37 184	37 187	34 983
Total assets		1 509 123	1 575 342	1 492 282	1 352 565	1 378 237	1 375 518
Equity and liabilities							
Ordinary shareholders' interest		516 105	562 559	559 591	558 732	499 085	564 987
Non-controlling interests		6 133	6 069	18 285	11 061	8 797	(3 157)
Deferred taxation liability		48 803	49 313	49 755	46 055	43 877	43 845
Current liabilities#		209 126	237 895	159 905	144 862	133 963	169 409
Long-term acquisition related liabilities		–	–	72 247	–	–	–
Long-term lease liabilities		90 251	101 902	114 791	97 741	103 543	–
Long-term interest-bearing liabilities		599 525	–	441 556	430 129	520 110	560 053
Short-term lease liabilities		39 180	34 367	33 391	24 092	29 667	–
Short-term acquisition related liabilities		–	91 924	3 566	–	–	–
Short-term interest-bearing liabilities		–	491 313	39 195	39 893	39 195	40 381
Total equity and liabilities		1 509 123	1 575 342	1 492 282	1 352 565	1 378 237	1 375 518
Ordinary shares in issue	('000)	422 175*	423 655*	433 700	433 700	433 700*	424 906*
Weighted average ordinary shares in issue	('000)	422 634	429 229	433 700	433 700	431 170	417 764
Headline earnings per ordinary share	(cents)	16.5	32.1	30.7	31.8	24.8	20.5
Dividends per share	(cents)	14.0	18.0	18.0	15.0	13.0	10.0

Excluding short-term portion of lease liabilities, interest-bearing borrowings and acquisition related liabilities.

* *Net of treasury shares.*

		2024	2023	2022	2021	2020	2019
Financial ratios							
Liability		1.9	1.8	1.6	1.4	1.7	1.4
Current		1.2	1.1	1.4	1.3	1.4	1.4
Quick liabilities		1.1	1.0	1.3	1.2	1.3	1.3
Interest cover	(times)	1.9	4.4	4.8	4.9	1.3	2.2
Dividend cover	(times)	1.2	1.8	1.7	2.1	1.9	2.1
Debt: equity	(%)	141.2	136.7	135.0	106.0	138.8	106.3
Return on property, plant and equipment	(%)	2.7	22.7	22.0	23.2	(2.5)	1.3
Return on capital employed	(%)	10.1	19.9	18.6	20.9	6.9	13.4
Return on equity	(%)	3.2	24.5	23.9	24.8	(3.0)	1.3
Profitability							
Operating income to revenue	(%)	11.1	22.4	24.0	25.8	9.2	16.5
Operating income to average assets employed	(%)	8.2	16.6	16.5	17.6	6.0	10.6
Number of employees		1 324	1 234	1 230	1 306	1 461	1 598

Ratio definitions

Liability
Liabilities to ordinary shareholders' interest

Current
Current assets to current liabilities

Quick liabilities
Current assets (excluding inventories) to current liabilities

Interest cover
Operating income to net finance costs

Dividend cover
Headline earnings per share to dividend per share for the year

Debt:equity ratio
Debt (excluding bank and cash) to ordinary shareholders' interest

Return on property, plant and equipment
Attributable income to property, plant and equipment

Return on capital employed
Operating income to ordinary shareholders' interest and interest-bearing liabilities

Return on equity
Attributable income to ordinary shareholders' interest

Average assets employed
Average total assets at the beginning and end of the financial year

Creating value responsibly

Creating value responsibly is core to Metrofile's approach and decision-making for all stakeholders, including customers, shareholders, employees and communities. We strive to do so in a responsible way while making a positive impact on the environment. Our business model encompasses integrated value creation through our investment in resources and relationships.

In this report, we offer material insights into our short-, medium- and long-term strategy, the environment in which we operate and our evaluation of relevant risks and opportunities.

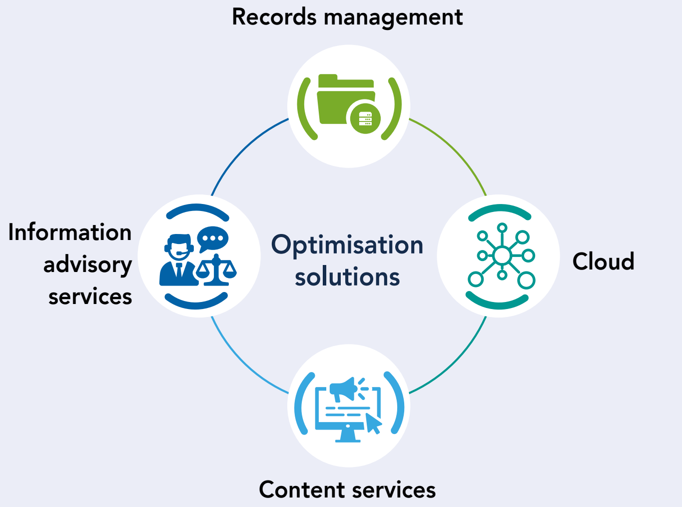
In determining the material reportable information, the Board and executive management evaluated and considered the relative importance of each matter in terms of its direct or potentially indirect effects on Metrofile's ability to create value responsibly and sustainably.

Operating environment
refer to page 15

Risk and opportunities
refer to page 18

Stakeholders
refer to page 30

Strategy underpinned by our 4-pillar optimisation solutions



Revenue streams

- Secure storage
- Digital services
- Business support services
- Product and solutions

ESG Strategic pillars

1. Caring for the environment refer to page 34
2. Caring for our employees refer to page 37
3. Caring for our stakeholders refer to page 40
4. Integrating ESG responsibly refer to page 42

Material matters

1. Digital transformation and strategy execution refer to page 20
2. Business sustainability, growth and the macro-economic environment refer to page 21
3. Multi-jurisdictional legal and regulatory compliance refer to page 22
4. Business continuity, infrastructure and operational risks refer to page 23

Operating environment

The macro-economic environment has an impact on the Group's ability to create stakeholder value. This informs our thinking on material matters and identification of issues that could affect the creation and sustainability of value in the short-, medium- and long-term (refer to *pages 19-23).*

Global context

Positive factors

- Data is a significant component of every business and digitisation of data is growing exponentially
- Significant technological advances in robotics and artificial intelligence provide possibilities and opportunities
- Partnerships with international digital workflow suppliers are creating opportunities in new geographies
- Governments are passing and implementing new laws to ensure higher standards for data privacy

Challenges

- Intense globalised competition
- Complex regulatory environment
- Reduction in use of paper due to the adoption of digitisation
- Macro-economic impact in territories in which the Group operates

Industry trends

Positive factors

- Opportunities created by the digital work environment
- Records and information management continued to be important for organisations
- Growth in digitisation and businesses moving to automate document management and workflow processes
- Increasing obligations regarding data and information security placed on all entities
- Paradigm shift in use of 'big data'
- Move towards a mobile, digital workforce

Challenges

- Users demand technology to provide real-time information
- Cybercrime threat
- Lower demand for products
- Longer sales and implementation cycle for software sales

Territories in which we operate

Positive factors

- Data privacy and protection legislation continued to provide opportunities for Metrofile
- Growing move to digital solutions and automation
- Companies returned to working in offices which increased demand for products and solutions

Challenges

- Higher interest rates and municipal costs in South Africa leading to increased cost and margin pressures
- Competition and commoditisation of record storage
- Scarce skills in terms of information security and technology expertise
- Delayed decision-making, particularly in the public sector
- Lower demand for Tidy Files' products in SA
- Notable increase in competitor environment in UAE

Our response

Positive factors

- Introduction of operational enhancements and launch of new solutions
- Closure of Tidy Files' manufacturing operation and sale of its assets and brand name
- Continue to engage our clients and work closely with our technology partners to co-innovate value-adding solutions powered by emerging technologies
- Continue to invest in governance and compliance toolkits, privacy compliance, cybersecurity and ransomware protection services
- Rigid cost management
- Standardise key solutions to translate projects into repeatable services
- Expand the client base and offer digital services to new and existing clients
- Drive a more sales focussed approach
- Digital solutions in response to needs
- Focus on both physical management of records and information as well as the provision of digital services
- Investment in automation, robotics, AI and scanning processes
- Prioritise system continuity, cybersecurity and IT governance
- Accelerate our strategy in digital content management and wrap around our current customer base with additional services in the technology field

Strategy

Records and information management is a commercial imperative for all businesses.

Metrofile stores and manages information securely, building trust among clients and providing the assurance that their information is secure and readily available, giving them peace of mind and confidence in making better business decisions in order to provide excellent service to their customers. Metrofile's core business is the physical and digital management of records and information, with a diversity of solutions available to clients.

Metrofile's strategy is built on our 4-pillar optimisation solutions, namely records management, cloud services, content services and information advisory services. This allows us to ensure growth in our four revenue streams: secure storage, digital services, business support services and products and solutions.

Embedded in Metrofile's overall strategy is accountable corporate citizenship involving the co-creation of sustainable value for all stakeholders in a responsible way while making a positive impact on the environment. The four distinct ESG dimensions on which we focus are care for the environment, our employees and our stakeholders, as well as responsible integration of ESG.

Records management
- Storage
- Scanning
- Filing
- Confidential destruction

Cloud services
- Cloud solutions for the modern enterprise

Information advisory services
- Redefining information governance excellence

Content services
- Transformation into digital formats

Revenue streams

Secure storage

Managing the loss of information by backing-up, managing, storing and protecting large volumes of active and inactive documents, images and data in physical and electronic formats.

Digital services

Digitally transforming traditional business processes and tools into solutions that provide insights through machine learning and modern visualisation.

Business support services

An extensive range of business support services to ensure clients' peace of mind, allowing them to concentrate on core business.

Products and solutions

A world class range of records and information management products and solutions for ensuring safe storage and data optimisation of client records.

Strategy continued

Performance against 2024 strategic objectives

Lead with digital in key territories

- Second largest revenue contributor
- Revenue growth was flat for 2024 but remains largest growth area over recent years
- Continued growth in cloud services and notable increase in hosting
- Middle East continued to grow revenue and expand its digital project pipeline

Expand into new key territories

- Opened an office in Saudi Arabia and assessing opportunities in the region

Evaluate potential acquisitions and other areas of capital allocation

- Concluded final payment of IronTree as a result of significant growth in the business since acquisition
- Concluded the share buy-back programme during the first half of 2024, purchasing 1.4m shares (R4.4m)

Aggregate/augment go-to-market solutions

- Explored opportunities to expand IronTree's services into geographies in which we operate (e.g. Kenya)

2025 strategic priorities

1. MRM SA turnaround
2. Launch add-on services to IPC, on annuity base model
3. Continue growth in cloud services
4. Geographic expansion into Saudia Arabia and cloud expansion into Kenya
5. Complete closure and exit of Tidy Files
6. Focus on de-gearing balance sheet
7. East Africa focus and growth strategy

Risk and opportunities

Risk philosophy

Sound management of risks and opportunities enables the Group to anticipate and respond to changes in its business environment, and to take informed decisions under uncertain conditions.

Metrofile recognises that risk in business is complex and must be identified and prepared for across its operations. Risk management embraces all areas of the business, as well as all the dimensions of ESG. Risk management is intended to help achieve organisational objectives.

Commitment to Metrofile's risk and opportunity management philosophy ensures a safe and healthy work environment for employees and preserves assets and value creation for the benefit of all stakeholders.

Risk management process

Metrofile's enterprise-wide approach ensures that identified material risks and potential opportunities are included in a structured risk and opportunity management process and managed within a unitary risk management framework.

Risk management involves identifying key risks and preparing to mitigate these through internal control structures and combined assurance plans. Strategic risks are continually reviewed and ranked by inherent risk, based on the evaluation of the probabilities and severity of each risk. The probable mitigation of each risk is assessed and the resultant residual risk is also calculated.

A comprehensive risk register is in place and constantly managed by the appropriate executive management members.

A summary of the risks and opportunities has been included in the material matters and mitigation section of this integrated annual report on pages 19 to 23. Refer to pages 56 to 57 for more details on risk governance.

Identify

Review risk universe and identify risks and opportunities

Assess

Document the net effect of identified threats and opportunities:

- Likelihood of threats and opportunities
- Impact of each risk
- Proximity of threats
- Prioritisation based on scales

Communicate

Provide regular reports to management, the Audit, Governance and Risk Committee and Board

Plan

Prepare management responses to mitigate threats and maximise opportunities

Implement

Risk responses are actioned and opportunities maximised

Monitor and review

Monitor and review the performance of the risk management system and risk mitigations

Material matters and mitigations

The Group's material matters and mitigations that could substantially affect the Group's ability to create, preserve and prevent the erosion of value, associated risks, opportunities and key mitigations, in no particular order, are noted in the adjacent table. We have also included a link to our strategic objectives (refer to page 17) and our ESG objectives (refer to page 33).

Materiality

Metrofile's Board and executive management present the information in this integrated annual report as relevant or material to our shareholders and key stakeholders for a fully informed understanding of Metrofile's performance over the past year. We offer material insights into our short-, medium- and long-term strategy (refer to pages 16 to 17).

Material matters

Metrofile's potential material matters emerge through our risk management process and stakeholder feedback.

Once identified, these potentially material matters are subjected to a materiality process that considers qualitative and quantitative aspects, influence, legitimacy, urgency and Metrofile's ability to effect change with regard to our impact.

Our most material matters were determined in an integrated approach through:

- Understanding the consequences and implications of our external environment
- Assessing stakeholder feedback in terms of the stakeholder's influence, legitimacy and urgency
- Considering our current risks and opportunities.

Digital transformation and strategy execution (refer to page 20)

The strategy of the Company needs to be constantly reviewed and acted upon. Our digital services business continues to grow as more clients adopt technology in their processes, requiring Metrofile to improve and enhance its offering to assist clients in driving efficiencies.

ESG dimensions:
- Environment
- Stakeholders

Strategic objectives:
- Lead with digital in key territories
- Expand into new key territories
- Evaluate potential acquisitions and other areas of capital allocation
- Aggregate/augment go-to-market solutions

Business sustainability, growth and the macro-economic environment (refer to page 21)

Achieving predefined growth revenue targets, EBIT and profit to ensure business sustainability and shareholder value.

ESG dimensions:
- Environment
- Employees
- Stakeholders

Strategic objectives:
- Lead with digital in key territories
- Expand into new key territory
- Evaluate potential acquisitions and other areas of capital allocations
- Aggregate/augment go-to-market solutions

Multi-jurisdictional legal and regulatory compliance (refer to page 22)

Compliance with regulations, laws and contractual commitments must be vigilantly monitored and managed in all territories in which we operate.

ESG dimensions:
- Environment
- Employees
- Stakeholders
- Integrating ESG

Strategic objectives:
- Expand into new key territories
- Aggregate/augment go-to-market solutions

Business continuity, infrastructure and operational risks (refer to page 23)

Continuous improvement in operational excellence and optimisation of operations enhances the business, financially and reputationally.

ESG dimensions:
- Employees
- Stakeholders

Strategic objectives:
- Evaluate potential acquisitions and other areas of capital allocation

Material matters and mitigations continued

Digital transformation and strategy execution

The strategy of the Company needs to be constantly reviewed and acted upon to ensure that it is applicable to market needs and trends, and remain agile and adaptable in an ever changing environment.

Our digital services business currently contributes approximately 26% to revenue, and continued growth is expected in the future, as more clients adopt technology in their processes.

The accelerated rate at which we continue to implement our approved digital strategy remains a key opportunity.

Metrofile keeps abreast of fast-growing demand for the conversion of data into insights. Besides technological advancements, this involves a more urgent drive towards co-innovation, organic growth and strategic partnerships.

Associated risks and opportunities	Key mitigations
Digital strategy Accelerated rate at which we continue to implement the approved digital strategy to ensure that there are no missed opportunities	• Digital strategy execution and continued communication to stakeholders • Strategies implemented to assist clients with the conversion of paper records to digital records, including launching new solutions to advance our service offering to customers • Cross-selling of services in the Group to provide end-to-end solutions across all aspects of the information management cycle
People skills Risk of not being positioned to attract and retain technical, solution-driven skillsets	• Digital strategy and services defined and aligned to people skillset requirements • Resource plan established based on needs assessment, which is continuously revised • Continuous training
Client satisfaction Digital transformation is a major opportunity to maintain Metrofile's status as market leader, satisfy our clients and gain market share	• Executive call-in visits to clients • Client needs assessed and solutions identified • Introduced business initiatives that are closely associated with our core business offerings • Cross-selling of services in the Group to provide end-to-end solutions across all aspects of the information management cycle • Excelled in the delivery of client and operational service
Competitor behaviour Keeping abreast of competitor activity allows Metrofile to defend its market position and maintain a competitive edge	• Pre-empted competitor actions so as to maintain market leadership • Built awareness to monitor non-traditional competitors entering our market
Traditional forms of data protection vs other mediums The decline in physical storage volumes (albeit at a slow rate) has been driven by the speed at which our clients replace traditional forms of data protection (i.e. paper) with digital mediums; and this calls for an acceleration of our efforts to transfer clients to alternative digital services provided by the Group	• Continuous review of business model diversification options and focus on alternative means of data protection • Continued to drive digital services throughout all businesses and regions • Metrofile's 4-pillar optimisation solution to provide end-to-end solutions across all aspects of the information management cycle
IT infrastructure, enterprise solutions and software To leverage technology to remain at the forefront of digital trends, it is important to regularly upgrade the IT systems and infrastructure to keep abreast of improved technologies and to align to, and be able to deliver, the Group's strategy	• Reviewed systems and infrastructure for applicability and improvements • Invested in upgrades and new software • Appointed specialists with IT expertise • Continuous enhancement of information security, data protection and privacy measures

Material matters and mitigations continued

Business sustainability, growth and the macro-economic environment

Achieving predefined growth revenue targets, EBIT and profit to ensure business sustainability and shareholder value.

Metrofile remains the records and information management market leader in South Africa, but the required level of growth can only be achieved by entering promising markets, and expanding the Group's suite of service offerings and executing the Group's strategy.

Cost pressure in the current macro-economic environment is due to rise in inflation, interest rates and the rise in other costs. In addition, investor confidence in South Africa and the uncertainty around elections during the 2024 financial year elevated this risk. This led to delays in decision making by various customers, particularly in the public sector.

The competitor landscape in the Middle East led to margin erosion in this region during 2024 and we remain cautious of the low margin environment and the pressure on EBITDA.

Associated risks and opportunities	Key mitigations
Financial performance, information and working capital management Having the optimal debt structure, cost reduction initiatives and cash generation plans in place to ensure financial performance which creates shareholder value. This requires reliable financial information on which to base business decisions and active working capital management	• Optimised debt structure and de-gearing the balance sheet • Focused on capital allocation, as well as healthy cash generation and conversion through active management of working capital components and balance sheet efficiencies • Continued to optimise cost structures, key measurement ratios and efficiencies • On-time and standard reporting of results
Applicable business strategy and client satisfaction Not having an applicable, agile and adaptable strategy and lack of innovation could impact continued growth and business sustainability. Poor client engagement, quoting and contracting could impact client service and could lead to loss of key clients	• Client needs assessed and solutions identified, multi-service engagement per client • Revisited core of business and ensure services being offered are robust. This led to decision to close the Tidy Files manufacturing operation • Business initiatives closely associated with core of business • Cross-selling of services in the Group to provide end-to-end solutions across all aspects of the information management cycle • Continuously review strategic initiatives with global trends • Launching new solutions to advance service offering to clients • Executive sponsorships for strategic clients
Integration of systems Maintaining the integrity of operational and financial information across multiple geographies remains a priority. This includes comprehensive reviews of all platforms and systems	• Standard reporting of financial results • Reconciliation of operational and financial systems • Ongoing improvement of internal and external facing technologies and platforms
Appropriate skills Astute talent management is required to ensure that competent staff with the necessary skills are recruited and retained to ensure business sustainability and continued growth	• Succession plans in place for executive directors, senior Group and subsidiary management • Critical skills and responsibilities identified and remunerated accordingly, while high potential employees were given career building and leadership opportunities • Market related remuneration packages to retain competent staff • HR effectiveness • Improvement of the effectiveness of the sales team
Competitor behaviour Keeping abreast of competitor activity allows Metrofile to defend its market position and maintain a competitive edge	• Built and maintained good client relationships at all contact points within the business units • Pre-empted competitor actions so as to maintain market leadership • Built awareness to monitor non-traditional competitors entering our market • Ongoing monitoring of enhanced competitor landscape in the Middle East and the related impact on customer retention strategies and pressure on EBITDA

Material matters and mitigations continued

Multi-jurisdictional legal and regulatory compliance

Our operations cover a broad range of regulatory regimes. Compliance with regulations, laws and contractual commitments must be vigilantly monitored and managed.

Associated risks and opportunities	Key mitigations
Regulatory, legal and contractual compliance Non-compliance with regulations, laws and contractual commitments could lead to fines, penalties, claims, liabilities or reputational damage Adoption of international standards is a business imperitive and differential factor	• Reviewed regulatory and business changes for compliance • Maintained a Group regulatory universe of high priority regulations and legislation, with assigned responsibilities • System of internal controls • ISO in place at Cleardata and Metrofile Botswana
Localisation and B-BBEE transformation requirements Country specific localisation policies might not be met in all geographies of operation Localisation and B-BBEE transformation are essential, as are the indigenisation requirements of our various countries of operation. Indigenisation facilitates strong stakeholder relationships with local communities and bolsters the Group's acceptability, relevance and appropriateness, as we operate in different geographies	• In South Africa: – B-BBEE strategy and plan in place to maintain the current B-BBEE level 1 rating – Transformation in Metrofile's South African businesses closely monitored by executive management and linked to executive KPIs and remuneration • For Rest of Africa and Middle East, managed applicable local indigenisation or transformation requirements
Occupational health and safety (OHS) Non-compliance with legislation could result in penalties, liabilities or claims	• Regular risk assessments and comprehensive compliance framework and programme • Compliance system and ongoing health and safety compliance monitoring • New employees formally inducted into operational procedures and training provided in first aid, fire-fighting and evacuation procedures, for example
Crime effects on business including bribery, corruption, fraud and theft Development in global anti-bribery and anti-corruption enforcement points to the need for a broad, multi-jurisdictional compliance approach. Without a Group view and related controls the Company may face operational disruption, financial losses, reputational damage or injury to staff	• Anti-bribery, anti-corruption, anti-competitive behaviour and Code of Ethics policies and training • Annual compliance declarations • System of internal controls • Insurance cover • Governance frameworks established
Information security, privacy and integrity Physical and digital security, confidentiality and handling of client information need to be protected Inadequate information security, or non-compliance with privacy regulations in geographies in which we operate, could potentially lead to data breaches, fines, penalties, liabilities or reputational losses	• Defined and implemented information security, data protection and privacy policies, procedures and protocols which are continuously enhanced and monitored for compliance • Adequacy of external perimeter security controls regularly reviewed • Vulnerability assessments, penetration testing, malware protection and password controls in place to protect data

Material matters and mitigations continued

Business continuity, infrastructure and operational risks

Continuous improvement in operational excellence and optimisation of operations is key to enhance business, financially and reputationally. During 2024 we experienced process challenges in the South African scanning centres where physical records are converted to digital records, which impacted operations and margins. We are monitoring disciplined adherence to operational processes and ensuring enhanced customer engagement.

Infrastructure upgrades are made continuously to ensure safe and healthy work environments for employees and to securely manage information assets.

This includes the continuous upgrading of automatic fire-fighting and smoke detection equipment, facilities and IT infrastructure.

We have invested financial capital and management time to enhance infrastructure and to mitigate operational risks.

The availability of utilities, like electricity and water for business continuity, remains a key focus from a risk point of view.

Associated risks and opportunities	Key mitigations
Fire risk Damaged facilities would lead to severe interruption of business operations, while destroyed documents will result in reputational damage and potential liabilities	• Minimal electricity in warehouses and thermographic scans conducted on electrical distribution boards • Early warning fire detection continuously upgraded under asset management programme • Automatic and handheld fire suppression systems; gas suppression systems in vaults • Regular servicing of fire equipment, quarterly emergency drills and a post-emergency analysis • Insurance and legal instruments • Compliance system
Racking collapse Falling materials and collapsing loads could impact business operations, endanger employees and result in damage to clients' information	• Racking supplied and installed in terms of standards • Annual racking inspection with remedial reports • Risk assessments undertaken to identify risks early and implement remedial action within given timeframes
Physical security measures Without adequate security measures, the Company may face severe operational disruption, financial losses, reputational damage and/or injury to staff	• Perimeter controls, including electric fences linked to armed response and security guard patrols • Biometric access control and site access controls for visitors • Sites monitored by outsourced security and tracking of Company vehicles • Lock down procedures followed at the end of each business day, with a security presence after hours
IT infrastructure It is important to regularly upgrade the IT systems and infrastructure to keep abreast of improved technologies and to align with and be able to deliver the Group's strategy	• Reviewed systems and infrastructure for applicability and improvements • Invested in upgrades and new software • Appointed specialists with IT expertise • Continuous enhancement of information security, data protection and privacy measures
Operational excellence and rationalisation Lack of optimisation of operations could potentially impact cost efficiencies, client satisfaction and operational excellence	• Facility optimisation and warehouse capacity management • Group operational framework continuously reviewed and enhanced • Ongoing compliance monitoring • Accurately scoping and quoting customer specifications • Launching new solutions to advance service offering to clients
Business continuity Business continuity failures, including system and utility failures, could have a severe impact on the business and result in reputational damage	• Business continuity plans in place, reviewed and tested • Systems continuity policies, procedures and protocols tested and continuously enhanced • Infrastructure reviewed and managed
Aligning processes and procedures across all geographies Aligning business practices across the Group presents an opportunity for streamlining operational efficiencies	• Standardised Group best practice criteria • Regular business reviews, strategic discussions and standard reporting of financial results • Continuous focus on standardising and optimising operations
People management and HR effectiveness Ineffective people management in terms of leadership, management and ongoing training could lead to negative impact on staff retention, succession planning, staff wellness, culture and work ethics	• Succession plans in place for executive directors, senior Group and subsidiary management • Critical skills and responsibilities identified and remunerated accordingly, while high potential employees were given career building and leadership opportunities • Market related remuneration packages to retain competent staff • HR effectiveness • Improvement of the effectiveness of the sales team • Culture surveys conducted and action plans being implemented

Business model

Inputs

refer to pages 25 to 31

Financial capital
- Market capitalisation
- Debt funding

Manufactured capital
- Warehouses
- Racking
- Processing centres
- Data storage vaults
- Disaster recovery facilities
- Vehicles
- Equipment to enable digital and physical services

Natural capital
- Energy
- Resources

Intellectual capital
- Human capital
- Business systems and processes

Social and relationship capital
- Reputation and brand
- Transparency
- Stakeholder relationships
- Integrity, ethical standards and governance

Human capital
- Skilled workforce
- Learnership programmes
- Employee wellness
- Transformation

Material matters page 19, ESG pages 32 to 42, Robust corporate governance and risk management pages 43 to 61

Vision, mission and core value page 2

Our business activities ensure that we execute our strategy in an efficient manner to create value for all our stakeholders.

We manage information through its complete lifecycle, including physical and electronic records, backup, storage, management and destruction. Our 4-pillar optimisation solution allows us to ensure growth in our four revenue streams: secure storage, digital services, business support services and products and solutions.

Our solutions ensure that clients achieve cost savings, efficiencies, security of valuable documents, intelligence, mitigation of risks and legislative compliance.

Outputs

refer to pages 25 to 31

Financial
- Revenue
- EBITDA
- Box volumes
- HEPS
- Cash generated by operations
- Capex

Manufactured
- Revenue from:
  - Secure storage
  - Digital services
  - Business support services
  - Products and solutions

Natural
- Emissions
- Waste
- Electricity and water
- Paper recycling

Intellectual
- Records management
- Cloud services
- Content services
- Information advisory services

Social and relationship
- Responsible corporate citizen
- Level 1 B-BBEE contributor
- Other regulatory compliance

Human
- Transformation
- Level 1 B-BBEE contributor
- Employee turnover
- Succession plan

Strategy pages 16 to 17

Creating value responsibly page 14

Outcomes

refer to pages 25 to 31

Financial
- Capital allocation
- Net box volume growth
- Working capital management and cost control
- Acquisitions
- Dividend cover
- Cash generation

Manufactured
- Safe and secure facilities
- Upgrading of infrastructure
- ICT infrastructure
- Ongoing maintenance
- Capital investment

Natural
- Electricity, fuel and water usage
- Carbon footprint

Intellectual
- Trust and confidence
- Continuous improvement
- Trend awareness
- Competitiveness

Social and relationship
- Stakeholder engagement
- Socio-economic development

Human
- People policies and programmes
- Skilled workforce
- Succession planning
- Diversity and transformation
- Inflow of women, young people and the disabled

Capital outcomes

Financial capital

Our financial capital inputs comprised cash generated by our operations and debt and equity financing.

These funds provided working capital to run our business and finance both expansion and replacement capital expenditure. The funds were also used to pay interest on borrowed money, distribute dividends to shareholders and effect our share buy-back programme during the first half of FY2024.

Our financial capital was reinvested in all the other capitals in a measured way to grow and sustain our business, after careful consideration of the returns they will generate.

Key inputs

- Market capitalisation R1 128 million (2023: R1 410 million)
- Cash and cash equivalents R62 million (2023: R59 million)
- Net asset value R522 million (2023: R569 million)
- Net debt R537 million (2023: R496 million)

Outputs

- Revenue increased by 1% to R1 141 million (2023: R1 134 million)
- EBITDA reduced by 17% to R287million (2023: R345 million)
- Closing box volumes of 11.1 million (2023: 11.1 million)
- Group HEPS 16.5c (2023: 32.1c)
- Cash generated from operations, increased 12% to R309 million (2023: R276 million)
- R53 million capital expenditure was incurred, of which R49 million was expansionary capital

Outcomes achieved

- Efficient capital allocation
- Working capital management
- Stringent cost control
- Cash generative
- Share buy-backs
- Dividends

Trade-offs in our use of financial capital outcomes

- Sustaining and growing our expansion, products, solutions, people and communities using financial capital, with positive impacts on most other capital stocks
- Use of financial capital to acquire new infrastructure and invest in our vehicle fleets and/or IT infrastructure, may negatively impact natural capital

Capital outcomes continued

Manufactured capital

We leverage our asset base, including warehouses, properties, data storage vaults, disaster recovery facilities, vehicles, specialised equipment and high-end dedicated fibre, to service our clients.

We rely on IT equipment and software to provide new products and solutions to our clients.

Investment in warehousing, infrastructure, processing facilities, IT infrastructure and software, and other assets is essential to deliver quality products reliably to our clients. Metrofile constantly explores new technology and ways to operate our assets more efficiently and effectively.

Key inputs

- Properties, buildings and warehouses:
  - The Group operates from 72 facilities, at 36 locations, covering 119 000 square metres of warehousing space, 55% of which is owned (based on square metres)
  - 20 data storage vaults
  - 17 processing centres, including image processing
  - 1 disaster recovery facility
  - 1 specialised document destruction facility
  - 1 printing, die-cutting and assembly facility, which will be closed during 2025
- Fleet of vehicles, including specialised mobile shredding trucks
- Sophisticated ICT infrastructure and software
- Other equipment (including scanners, forklifts, fire suppression and security equipment)

Outputs

Revenue from:

- Secure storage
- Digital services
- Business support services
- Products and solutions

Outcomes achieved

- Manufactured capital managed in line with best practice to ensure secure facilities and safe workplaces
- Rolling capital expenditure plan ensures continuous upgrading of infrastructure
- Metrofile owns or leases premises based on the economic environment of each country in which we operate
- Investment in IT infrastructure, motor vehicles, racking, equipment and mobile shredding equipment
- Upgrading and updating secure ICT infrastructure and software
- Capital investment for the next financial year amounts to R68 million, (2023: R68 million)

Trade-offs in our use of manufactured capital outcomes

- Pursuing excellence in operating manufactured assets across the value chain underpins performance, reliability and cost-effectiveness
- Adopting advanced technology results in more efficient business processes and allows us to offer digital tools and solutions to clients

Capital outcomes continued

Natural capital

Metrofile continues to manage its impact on the natural environment. We remain aware of global environmental concerns, and continue to monitor our use of water, electricity and fuel.

Management actively encourages recycling of materials at our operations. The nature of our business enables us to drive our environmental commitment by focusing on the importance of recycling which is the primary business of Cleardata. Our environmental impact is offset by recycling boxes and documents which is our single largest environmental contribution. In the past financial year, Metrofile recycled approximately 8 373 (2023: 9 000) tons of paper.

Key inputs

- Electricity used is moving from purchased electricity to solar energy, following the implementation of the first phase of our solar project
- Petrol and diesel used to fuel vehicles and generators
- New vehicles for our fleet are hybrid vehicles
- 15 710 (2023: 19 698) kilolitres of water used by business units
- Non-renewable energy consumption
  - 2 642 (2023: 20 234) Gigajoules (GJ)
  - Volume of electricity purchased 734 (2023: 2 817) megawatts (MWh)
- Fuel usage:
  - Diesel for vehicles: 316 294 (2023: 380 645) litres
  - Petrol for vehicles: 80 933 (2023: 99 227) litres
  - Diesel for generators: 47 526 (2023: 114 394) litres

Outputs

- Scope 1 CO_2e: 1 174 (2023: 1 700) tonnes
- Scope 2 CO_2e: 2 186 (2023: 3 402) tonnes
- Scope 3 CO_2e: 178 (2023: 192) tonnes
- Total carbon emissions: 3 359 (2023: 4 933) tonnes
- CO_2e below the level for the payment of carbon tax
- Continued focus on reducing electricity and water consumption
- Solar installed at key operating facilities
- Recycling of paper
- Reduced waste-to-landfill

Outcomes achieved

Electricity
- Less use of purchased electricity due to availability of solar

Fuel
- Use of hybrid vehicles

Water
- We started the implementation of water tanks to reduce reliance on municipal water supply

Carbon footprint
- We are beginning to see a reduction in our carbon footprint and are comfortable that we will start achieving our targets

Trade-offs in our use of natural capital outcomes

- Our use of non-renewable resources, such as fossil fuels, and our emissions and waste, negatively impact natural capital
- We convert natural capital into value-added services and boost the stocks of other capitals
- Recycling of paper saves transport and handling costs
- Although our warehouses make use of natural light as far as possible, transport and courier services contribute to Scope 3 emissions
- Metrofile recognises the importance of ensuring that all business activities limit environmental impacts. While none of our business activities have any known impact on biodiversity, further reviews at operations are currently underway

Refer to pages 34 to 36 in our ESG review for further information

Capital outcomes continued

Intellectual capital

Our intellectual capital is derived from our extensive industry experience, combined with technology, procedures and processes developed by the Group.

Metrofile keeps abreast of industry and consumer trends to stay relevant in the future, while delivering excellence in the present. In this dynamic industry, Metrofile focuses on innovation of products and services and the introduction of specialist skills to develop innovative solutions for our clients.

Metrofile's investment in research and development and commitment to partnerships have led to an ever-expanding range of products and solutions.

Key inputs

- Skilled, experienced and technically qualified human capital
- Business systems and processes
- Experienced leadership responsive to changing environment and client needs

Outputs

- Records management
- Cloud services
- Content services
- Information advisory services

Outcomes achieved

Our intellectual capital is refined through a continuous improvement process based on:

- Responding to changing needs
- Competitive intelligence
- Anticipating the future needs of clients
- Collaborating internally with Group businesses to pool intellectual capital
- Consulting with clients to create tailormade solutions to fit their needs
- Partnering with forward-thinking technology solutions and services providers
- Acquiring product lines in emerging technologies
- Continuously assessing product and service gaps and opportunities
- Improving operational efficiencies and cost management
- Identifying and mitigating risks
- Upskilling and motivating our workforce
- Our consultancy services assist clients to navigate the world of records management
- Specialised records management software includes DataStor and eTracker

Trade-offs in our use of intellectual capital outcomes

- Intellectual capital dovetails with human capital through employee competence, skills, training and development
- Intellectual capital exists in all key support functions such as financial, administration, client relations and IT
- The cumulative value of the intellectual capital that Metrofile has refined over four decades informs and drives our evolving business strategy. Building onto the other five capitals, it enables Metrofile to remain sustainable and ahead of our competitors

Capital outcomes continued

Social and relationship capital

Social and relationship capital forms an integral part of the values of Metrofile. It involves our business and institutions associated with it, as well as the relationships with employees, communities, shareholders, clients, suppliers, industry and government.

Through ongoing engagements with our stakeholders, we endeavour to create transparent trust-based relationships to understand their views, and inform our response to their unique needs.

At the heart of our social and relationship capital plan is a need for Metrofile to support and meaningfully contribute towards social and economic transformation for the people whose lives we touch.

Central to Metrofile's social and relationship capital plan are our socio-economic development (SED) and skills development initiatives, which are focused on specific needs of surrounding black communities. The initiatives (such as bursaries and sponsorships for school and tertiary education and healthcare support) enable the previously disadvantaged to gain sustainable access to the economy.

Refer to pages 40 to 41 in our ESG review for further information

Key inputs

- Continued constructive engagements with all stakeholders
- Socio-economic development (SED) and skills development initiatives
- Donation of space to healthcare facilities for storage of confidential data
- Conducted business in a transparent manner that is mutually beneficial and sustainable
- Youth empowerment through education bursaries for unemployed black youth in local communities aspiring to be teachers
- Outreach activities by our employees and donations towards community charities/organisations
- Employee engagement through surveys and ethical workplace practices

Outputs

- Consistent high quality service
- Level 1 B-BBEE contributor
- Ongoing interactions with government and tax authorities
- Funds donated towards community charities/organisations to enable them to deliver and expand their social transformation mandates
- Funding towards education of children and unemployed youth to improve their access to the job market and create a talent pipeline for the business
- Implementation of procurement policy, which prioritises procurement from black-owned and black women-owned businesses

Outcomes achieved

- Matters arising from stakeholder engagements are reviewed, considering stakeholders' perspectives, to ensure alignment of Metrofile's services to its stakeholders' expectations
- Established a consistent Group-wide approach to stakeholder engagement to ensure effective messaging and interactions (refer to diagram on the next page)
- Continued to honour commitment to contribute a minimum of 1.6% (R659k) of NPAT to initiatives focused on achieving sustainable socio-economic transformation
- Spent 1.64% (R768k) on supplier development and 0.64% (R384k) on enterprise development.
- Sixth year of support of St Peter's Foundation teacher intern programme. At end Dec 2024 three teachers will complete their degrees and graduate. They will be replaced with new teacher interns in Jan 2025.
- Provision of skills reduces poverty and inequality in pursuit of 2030 target
- More than 80% of our spend was with local B-BBEE compliant suppliers, of which more than 50% had more than 30% black woman ownership
- 100% of our investment in enterprise and supplier development is allocated to beneficiaries directly aligned with our supply chain.

Trade-offs in our use of social and relationship capital outcomes

- Positive impact on the communities we serve, which promotes our brand awareness and, in the long-term has a positive impact on our financial capital
- Building human and intellectual capital, which positively impacts social transformation and Metrofile's competitive edge in being a responsible corporate citizen.

Capital outcomes continued

Stakeholder analysis

Engaging with stakeholders is an important part of our business. We recognise that we depend on sound relationships with all our stakeholders to grow our business and provide value. We are committed to collaboration, positive partnerships, engagement, consultation and teamwork to achieve common goals. Through our various functional disciplines, we have implemented processes to monitor stakeholder engagement.

Key stakeholders are identified according to their interests, areas of expertise and levels of influence. Areas of concern and opportunities to improve are escalated to the responsible executive, and to the Board where required.

As stakeholders change, stakeholder mapping and analysis is undertaken regularly. Our primary stakeholders are our employees, suppliers, government departments and regulatory bodies, shareholders, unions, media, communities and clients. These groups are presented in the stakeholder map on the right.

Clients

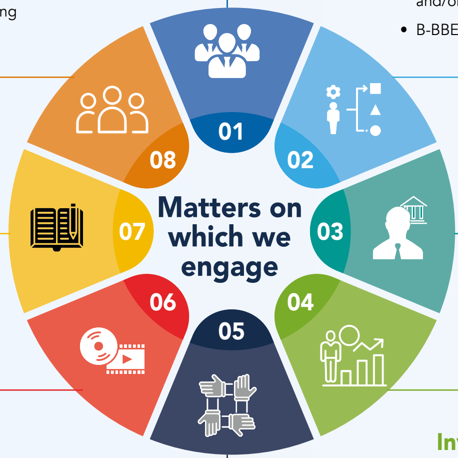
- Client complaints
- Client issues and concerns
- Business partner relationships
- Future service requirements
- Providing solutions addressing clients' needs

Employees

- Employee concerns and issues

Service providers and suppliers

- Our business priorities and service requirements
- Issues that pose a risk to the Metrofile business and/or brand
- B-BBEE compliance and plans to address it



Community

- Education and capacity building through the provision of education sponsorships
- Learnership programmes

Government departments and regulatory bodies

- Trade and industry policy on sector development, trade issues and growth
- Labour market issues regarding flexibility, skills, minimum standards, labour relations
- Environmentally friendly practices
- Data privacy practices and requirements

Media

- Product and service offerings
- Topical issues affecting records management, e.g. privacy laws, information security, business continuity and disaster recovery
- Macro issues affecting storage and retrieval of information

Unions

- Verification of union membership
- Establishment of organisational and bargaining agreements
- Wages and terms and conditions of employment

Investors and shareholders

- Business performance
- Business expectations and strategy
- Economic, social and environmental concerns
- Development and execution of an ESG strategy

Why and how we engage

01 We investigate and address employee concerns through:
- Employee representative committee meetings
- National EE committee meetings (in South Africa)
- Grievance process
- Tip-offs anonymous hotline
- Wellness programme

02 We review our product offering and deliver as per agreed SLAs through ongoing electronic and personal engagement, including supplier meetings

03 We amend policies, procedures and practices to ensure compliance

04 As per our shareholder charter, we conduct the following:
- Annual general meeting
- Annual investor presentation
- Individual, documented investor meetings

We publish:
- Financial results
- Integrated annual report
- Supplementary information on our website
- SENS announcements

05 Better understanding of and response to employee concerns through:
- Ongoing electronic and personal engagement
- Meetings
- Participation in CCMA processes

06 Ensuring transparency and improving the provision of information:
- Ongoing electronic and personal engagement
- Interviews
- News releases
- Publications

07 We continue to identify individuals to participate in our programmes through ongoing electronic communication and personal engagement

08 In order to address client complaints, issues, concerns and future service requirements, we:
- Conduct client surveys
- Ongoing engagement with clients to discuss services and service delivery
- Implement trade and industry policy on sector development, trade issues and growth
- Assess labour market issues regarding flexibility, skills, minimum standards, labour relations
- Apply environmentally friendly practices

Capital outcomes continued

Human capital

Although Metrofile is becoming increasingly technology-focused, many processes still rely on manual labour and physical handling. We depend on the expertise and experience of our people, their health, skills and safety, to operate our facilities safely and efficiently, and in so doing assist in the delivery of our strategy. Our people management methodology contributes to resolving inequalities in the workplace, and our ongoing investment in employee training and development is aimed at preparing our people for a digital future.

Key inputs

- Leadership
- Skilled workforce with relevant knowledge and experience:
  - SA: 996
  - Outside SA: 328
  - R9 million spent on internal (employees) and external (non-employees) skills development
- 278 employees in skills training, 30 being disabled individuals
- 1 860 480 total person hours worked in SA

Outputs

- Level 1 B-BBEE status
- 69% of employees are between 30 and 50; 19% are over 50; and 12% are new entrants and under 30 in SA
- 15% employee turnover
- Succession planning will be a key focus in 2025 given the demographic profile of our staff
- Zero fatalities and less than 2 days lost due to workplace injuries
- Zero person days lost due to industrial action

Outcomes achieved

- Compliance with labour legislation
- Well-entrenched policies and procedures, introduced to new employees during induction
- Our people operated within a clearly defined framework and adhered to the Group's code of conduct and business ethics
- Executive and senior management performance in reaching transformation targets linked to remuneration
- Prioritised training of marginalised groups, such as women and youth
- Fully compliant, levy paying member of services SETA in SA and reclaimed skills development levies for mandatory grants
- Worked with primary B-BBEE shareholder, the Mineworkers Investment Company, to grow the skills of our people and improve employment equity ratios at all levels, overseen by our SETCOM
- Facilities in South Africa regularly visited by wellness service provider, which offers basic health checks, advice, guidance and counselling
- Comprehensive HIV/Aids strategy and programme, based on the core principle that the human rights and dignity of any employee infected by the virus should be upheld
- SafeCyte compliance system monitored and maintained safe workplaces. Staff members actively involved in health and safety committees, with health and safety training conducted annually
- Zero tolerance for any form of discrimination or unfair treatment
- Employees received regular performance reviews
- Engagement with unions in the spirit of free association

Trade-offs in our use of human capital outcomes

- To attract and retain technical and specialist skills, we maintain and improve productivity levels and innovate around new technology solutions
- Training and development build competencies and collective values around safety, operational excellence and innovation
- Remuneration strategies focus on entrenching a performance-driven culture, which supports cost optimisation
- Partnerships with trade unions and engaging in other structured forums

Refer to pages 37 to 39 in our ESG review for further information

ESG review

ESG has historically been, and continues to be, an embedded focus area within our strategy and operations.

Metrofile has followed an integrated approach in the development of our ESG landscape and this has structured our ESG vision and roadmap. This included stakeholder mapping, materiality analysis and benchmarking. Furthermore, our implementation roadmap includes project priorities, resources, timelines, KPIs and risks, with a tracking system to monitor our progress.

The implementation of our ESG programme is an ongoing process within our business platforms.

Our ESG proposition

We strive to go beyond profit generation in co-creating sustainable value for all our stakeholders (S) in a responsible way (G) while making a positive impact on the environment (E).

Our fundamental ESG principles are:

1. Governance is the foundation through which we enable organisations and people to manage their records and information in a responsible, trustworthy, secure and sustainable manner
2. We are committed to foster sound relationships with all our stakeholders as we believe that it will afford growth and provide sustainable value
3. We partner, collaborate, engage, consult, co-create and co-innovate with our key stakeholders (including employees) to find ways to work smarter and become more sustainable
4. We ensure that our employees and the communities in the areas in which we operate, are empowered to live a better life
5. We empower our suppliers through the provision of resources and skills to effectively and sustainably manage their businesses
6. We continuously seek opportunities to reduce and improve our energy usage and offset our GHG emissions
7. We proactively and actively align Metrofile ESG initiatives with the UN sustainable development goals
8. We believe that water is a precious natural resource. We use it sparingly

Our focus is on ensuring that we continually reduce our carbon footprint, creating a carbon neutral business which supports our goal of being 'net zero' by 2050.

ESG strategy

Our ESG strategy

Caring for the environment (E)	Caring for our employees (S)	Caring for our stakeholders (S)	Integrating ESG responsibly (G)
refer to page 34	refer to page 37	refer to page 40	refer to page 42
Objectives			
1. Reduce emissions (GHG) **2.** Save water **3.** Encourage recycling	**1.** Reduce inequality **2.** Transform and diversify **3.** Develop and retain our people **4.** Actively engage our people **5.** Improve health, safety and wellness	**1.** Focused socio-economic development (SED) **2.** Source ethically and locally **3.** Supplier and enterprise development **4.** Active stakeholder engagement	**1.** Manage ESG risks and opportunities **2.** Drive and govern ESG responsibly
UN SDGs			
6 Clean water and sanitation 7 Affordable and clean energy 12 Responsible consumption and production 13 Climate action	1 No poverty 2 Zero hunger 3 Good health and well-being 4 Quality education 5 Gender equality 8 Decent work and economic growth 10 Reduced inequalities	4 Quality education 5 Gender equality 8 Decent work and economic growth 17 Partnerships for the goals	16 Peace, justice and strong institutions

Actions

FY2024

- Track progress against targets to achieve reduction of GHG emission aligned to overall carbon neutral target by 2030 (in progress)
- Formalise ESG tracking tool and reporting dashboard (in progress)
- Align to IFRS reporting requirements which includes validation of prior year data (in progress)
- Continue gathering and validating Scope 3 emission data (in progress)

FY2025

- Review and report progress against targets by ESG pillar
- Review progress as per the SDGs
- Start tracking Scope 3 upstream and downstream emissions
- Ensure accurate IFRS reporting

FY2026

- Review progress towards achieving carbon neutral target by 2030
- Identify specific projects to enable achievement of carbon neutral target
- Review reporting requirements and dashboard

We have established the targets, linked to our strategic objectives, as set out on pages 33 to 42

ESG strategy continued

Caring for our environment (E)

At Metrofile, we believe that protecting and improving our natural environment is everyone's responsibility and as a Company we want to play our part so that future generations can continue to benefit. Although our business does not have a significant negative impact on the environment, we have set targets to reduce our emissions, to save water and to encourage recycling. Metrofile's CO_2e remain below the limit for carbon neutral tax reporting and payment. These targets are aligned to reducing GHG emissions and the use of fossil fuels by 2025, reducing our carbon footprint in support of our goal to be carbon neutral by 2030 and 'net zero' by 2050.

UN SDGs	SDG target	ESG objectives	GRI standards	Metrics	KPIs	FY2024 update	Capitals	Material matters
7 Affordable and clean energy; 13 Climate action	• Integrate climate change measures into policies, strategies and planning • Increase the share of renewable energy in the business energy mix by 2030 • Improve energy efficiency	1 Reduce GHG emission by 15% by 2025	GRI 305 1-2	1.1 Climate change policies, strategy and planning	Improve integration and implementation of climate change measures	Completed first phase of solar installation project thus reducing dependency on purchased electricity as well as diesel to run generators during loadshedding. Total CO_2 emissions for 2024: 4 582 tonnes (2023: 4 933 tonnes): • Scope 1 CO_2e: 1 563 tonnes (2023: 1 700 tonnes) • Scope 2 CO_2e: 3 019 tonnes (2023: 3 402 tonnes) • Scope 3 CO_2e: 178 tonnes (2023: 192 tonnes) GHG intensity measure at 30 June 2024: 3.10 (2023: 4.74). The above shows a reduction in Scope 1 and Scope 2 emissions. On track to achieve target reduction of 15% GHG emissions by 2025. Continue to address the challenge of tracking Scope 3 emissions to ensure the accuracy of this measure. Work has started on development of a climate change policy specifically for the business and the nature of the operations.	• Natural (page 27)	• Digital transformation and strategy execution (page 20) • Business sustainability, growth and the macro-economic environment (page 21) • Multi-jurisdictional legal and regulatory compliance (page 22)
				1.2 GHG intensity	Reduce GHG intensity			
				1.3 Renewables	Increase use of renewable energy			
				1.4 Energy efficiency	Improve energy efficiency			
				1.5 GHG scope 1 (direct emissions)	Reduce GHG scope 1			
				1.6 GHG scope 2 (electricity)	Reduce GHG scope 2			
				1.7 GHG scope 3 (indirect emissions)	Manage GHG scope 3			

ESG strategy continued

Caring for our environment (E) continued

UN SDGs	SDG target	ESG objectives	GRI standards	Metrics	KPIs	FY2024 update	Capitals	Material matters
6 CLEAN WATER AND SANITATION	• Increase water use efficiency	2 Save water	GRI 303 GRI 305-3	2.1 Water intensity	Increase water intensity	Baseline water usage was set in 2023 and was reported at 19 698 kilolitres. This reduced during 2024 to 15 710 kilolitres. Due to increased instances of 'water shedding' by various local municipalities, a water project for the installation and use of water and rainwater tanks has been fast tracked to reduce dependency on municipal water. This is critical for business continuity and staff health, as well as providing relief from the challenges of local water infrastructure. Specific water initiatives to be tracked and reported during 2025.	• Natural (page 27)	• Digital transformation and strategy execution (page 20) • Business sustainability, growth and the macro-economic environment (page 21) • Multi-jurisdictional legal and regulatory compliance (page 22)
				2.2 Water efficiency	Increase water use efficiency			
				2.3 Total water use	Track total water use			
				2.4 Report water spills	Track reported spills			
				2.5 Alternative water	Identify alternative water supply			

ESG strategy continued

Caring for our environment (E) continued

UN SDGs	SDG target	ESG objectives	GRI standards	Metrics	KPIs	FY2024 update	Capitals	Material matters
12 RESPONSIBLE CONSUMPTION AND PRODUCTION	• Reduce waste generated through prevention, reduction, recycling and re-use	3 Encourage recycling	GRI 306	3.1 Recycling activities	Track recycling activities	Continued reduction of waste to landfill through paper recycling. Recycled 8 373 tons of paper in 2024 compared to 9 000 tons in 2023.	• Natural (page 27)	• Digital transformation and strategy execution (page 20) • Business sustainability, growth and the macro-economic environment (page 21) • Multi-jurisdictional legal and regulatory compliance (page 22)
				3.2 Total landfill waste	• Track waste to landfill • Reduce waste to landfill			
				3.3 Reuse activities	Increase in reuse			

Risks

- Not getting business buy-in to measures required to reduce GHG emissions and to save water
- Cost of measures deemed to be too high relative to the benefit
- Lack of accurate measurement of the impact of initiatives

Opportunities

- Exploring alternative technologies for emission reduction in transport services
- Leveraging technology to reduce need for physical transport of documents, e.g. cloud and digital services

Highlights

- Implemented a solar project which has already resulted in a reduction in carbon emissions
- The implementation of hybrid vehicles in the fleet has contributed to a reduction in Scope 1 emissions
- Further work to be done on validating the data to ensure consistent reporting each year
- Business going digital results in less use of paper, which has a positive impact on the environment

Longer term aspirations

- Generation of sufficient renewable energy from solar to be independent of the grid
- Leverage technology to minimise the need for physical transportation of documents
- Increase utilisation of hybrid and electric vehicles where physical transport of documents is required

ESG strategy continued

Caring for our employees (S)

Our business is built on our employees who assist us in ensuring that our clients' vital records management needs are met. It is our intention to build an equitable workplace culture that values diversity, equity and inclusion. Our employee value proposition includes fair compensation, rewards and benefits, stability and mutual respect.

The Social Ethics and Transformation Committee of the Board is responsible for monitoring the Group's activities relating to human rights, empowerment, B-BBEE, equality, corruption, ethics, health, public safety, consumer and labour relations.

UN SDGs	SDG target	ESG objectives	GRI standards	Metrics	KPIs	FY2024 update	Capitals	Material matters
5 GENDER EQUALITY 8 DECENT WORK AND ECONOMIC GROWTH	• Achieve gender equality • Promote decent work for all	1 Reduce inequality	GRI 405-1 GRI 406-1	1.1 Recruitment and advancement of women in the workplace	• Number of women in the workplace as a percentage of all employees • Achieving internal targets for the number of women and black people in senior roles	51% of employees are women and 91% in SA are deemed HDSA; 45% are black women and 2% are disabled. Management in SA comprises 77% HDSA and 57% women.	• Intellectual (page 28) • Social and relationship (page 29) • Human (page 31)	• Business sustainability, growth and the macro-economic environment (page 21) • Multi-jurisdictional legal and regulatory compliance (page 22) • Business continuity, infrastructure and operational risks (page 23)
				1.2 Business and HR policies which are in place	Policies which do not discriminate on the basis of gender, and actively promote empowerment	Continue to promote the advancement of gender equality and empowerment including policies to attain equal pay for equal work.		
				1.3 Equal pay for equal work	Roadmap to achieve equal pay for equal work	Commenced initial work on analysing fair pay and equal pay for equal work to ensure the transparency in reporting required in line with the changes to the Companies Act in SA.		
				1.4 We do not support forced labour or human trafficking	Actively support the UN Global Compact Principles	We remain committed to the UN Global Compact Principles and thus do not support forced labour or human trafficking.		

ESG strategy continued

Caring for our employees (S) continued

UN SDGs	SDG target	ESG objectives	GRI standards	Metrics	KPIs	FY2024 update	Capitals	Material matters
10 REDUCED INEQUALITIES	• Reduce inequality • Support B-BBEE	2 Transform and diversify	GRI 405-1 GRI 406-1	2.1 B-BBEE Level	Maintain B-BBEE Level 1	Maintained Level 1 B-BBEE status. Running learnerships is central to investment in the development of talent and skills in the economy and the Metrofile business with spend being in the region of R9 million. 80 people are in learnership programmes in SA, of which 100% are black learners and 51% are black women. Own staff are receiving study assistance and the university student bursary support programme continues to gain momentum. Employee turnover remains consistent for 2024 at 15%.	• Intellectual (page 28) • Social and relationship (page 29) • Human (page 31)	• Business sustainability, growth and the macro-economic environment (page 21) • Multi-jurisdictional legal and regulatory compliance (page 22) • Business continuity, infrastructure and operational risks (page 23)
				2.2 By 2030 achieve and sustain income growth of the bottom 40% of the population at a rate higher than the national average	Remuneration policy which adopts higher percentage increase for lower-level staff			
4 QUALITY EDUCATION	• Inclusive and equitable quality education and life-long learning	3 Develop and retain our people		3.1 Implementation of learnership programmes	Number of learners			
				3.2 Supporting tertiary education for our own staff	Number of employees receiving study assistance			
				3.3 Supporting tertiary education for university students	Number of university students receiving funding			
				3.4 Employee turnover	% of employees who left the business			
10 REDUCED INEQUALITIES	• Promote decent work for all	4 Actively engage our people	N/A	4.1 Employee engagement survey	Identification and tracking of top three priorities	Central to engagement with staff is the engagement survey conducted during 2024. Internal communication and employee recognition are key findings which are being addressed. A culture project is scheduled for 2025.		

ESG strategy continued

Caring for our employees (S) continued

UN SDGs	SDG target	ESG objectives	GRI standards	Metrics	KPIs	FY2024 update	Capitals	Material matters
1 NO POVERTY 2 ZERO HUNGER 3 GOOD HEALTH AND WELL-BEING	• Ensure healthy lives and promote well-being for all	5 Improve health, safety and wellness	GRI 403	5.1 Manage the AIDS epidemic in the business and provide for on-going wellness assessments	% of staff on HIV programme % of staff participating in wellness assessments	HIV programme has been running for 19 years and has contributed to less than 10% of staff being HIV+ and 90% of these being in treatment programmes and are fully productive members of the business. Voluntary health assessments are available to all staff, and currently there is a 30% participation rate in the wellness assessments.	• Intellectual (page 28) • Social and relationship (page 29) • Human (page 31)	• Business sustainability, growth and the macro-economic environment (page 21) • Multi-jurisdictional legal and regulatory compliance (page 22) • Business continuity, infrastructure and operational risks (page 23)
				5.2 Make available psycho-social and counselling support to staff	% of staff making use of counselling services	Counselling services are available to staff on a 24/7 basis, and in these extremely difficult times there is a 25% participation rate in this service.		
				5.3 Strengthen prevention and treatment of substance abuse	Promote substance abuse policy Promote smoking policy	Metrofile does not tolerate the abuse of drugs or alcohol and our policy actively supports staff with substance abuse problems.		
				5.4 Achieve inclusive medical aid coverage	% of staff participating in medical aid programmes which are available	As part of the employee wellness initiative we will continue to encourage membership of medical aid, particularly with blue-collar workers.		

Risks

- Long-term retention of management and employees
- Accelerated development of high potential employees

Opportunities

- Implementation of formal career development plans

Highlights

- Level 1 B-BBEE maintained through development and implementation of 3-year transformation strategy
- Implementation of the Metrofile university student bursary programme

Longer term aspirations

- Ensure that employees are fully engaged, and able to realise career goals within the business
- Update BEE strategy to focus on retaining Level 1 B-BBEE status

ESG strategy continued

Caring for our stakeholders (S)

We have a wide range of stakeholders, including investors, customers, suppliers and the communities in which we operate (refer to page 30 for our stakeholder map). We are committed to fostering sound relationships with all stakeholders to ensure growth and sustainable value creation. As a Group, we are intent on deliberate engagement, development and local procurement. We are willing to partner, collaborate, engage, consult, co-create and co-innovate with our key stakeholders to find ways to work smarter and become more sustainable.

UN SDGs	SDG target	ESG objectives	GRI standards	Metrics	KPIs	FY2024 update	Capitals	Material matters
4 QUALITY EDUCATION	• Inclusive and equitable quality education and life-long learning	1 Focused socio-economic development (SED)	GRI 203-2 GRI 204-1 GRI 413-1 GRI 413-2	1.1 SED spend	% of SED spend	1.6% (R659k) of NPAT was invested in SED spend, of which R378k was spent on education and R164k on health. Education support of the St Peter's Foundation teacher intern programme enters its 6th year. At the end of Dec 2024, three teachers will be completing their degrees and graduating. Due to continued support of this programme and education in SA, they will be replaced with new teacher interns in Jan 2025.	• Social and relationship (page 29)	• Digital transformation and strategy execution (page 20) • Business sustainability, growth and the macro economic environment (page 21) • Multi-jurisdictional legal and regulatory compliance (page 22) • Business continuity, infrastructure and operational risks (page 23)
				1.2 SED education supported initiatives	St Peters Foundation teacher interns			
8 DECENT WORK AND ECONOMIC GROWTH	• Promote sustained inclusive and sustainable economic growth	2 Source ethically, locally and sustainably	GRI 204-1	2.1 Source from local businesses as far as possible	% of local businesses providing goods and services as a percentage of total procurement spend	Developing vendor criteria to assess existing providers against B-BBEE and ESG principles to confirm their commitment to supporting Metrofile's goals and objectives on these important initiatives.		
5 GENDER EQUALITY	• Ensure women's full participation and equal opportunities at all levels of economic and public life	3 Supplier and enterprise development	GRI 203-2 GRI 204-1 GRI 413-1 GRI 413-2	3.1 SD and ED spend	% of SD and ED spend with small businesses	Continue to ensure commitment to B-BBEE through the development of small business. Spent 1.64% (R768k) on supplier development and 0.64% (R384k) on enterprise development.		
				3.2 Procurement from 51% black women owned businesses	% of spend with 51% black women owned businesses as a percentage of total procurement spend	More than 80% of spend during the reporting period went to local B-BBEE compliant suppliers for the provision of goods and services, of which more than 50% had more than 30% black ownership.		

ESG strategy continued

Caring for our stakeholders (S) continued

UN SDGs	SDG target	ESG objectives	GRI standards	Metrics	KPIs	FY2024 update	Capitals	Material matters
17 PARTNERSHIPS FOR THE GOALS	• Strengthen partnerships for sustainable development	**4** Active stakeholder engagement	N/A	**4.1** Active engagement with upstream and downstream suppliers in terms of sustainability	Prioritisation of upstream and downstream suppliers Stakeholder engagement plan developed and agreed	Engagement with upstream and downstream suppliers continues.	• Social and relationship (page 29)	• Digital transformation and strategy execution (page 20) • Business sustainability, growth and the macro economic environment (page 21) • Multi-jurisdictional legal and regulatory compliance (page 22) • Business continuity, infrastructure and operational risks (page 23)

Risks

- Becoming complacent rather than driving long-term sustainable stakeholder goals

Opportunities

- Continue to work with suppliers on B-BBEE improvement plans

Highlights

- 80% procurement from B-BBEE compliant suppliers
- 100% of Metrofile university student bursaries towards unemployed HDSA youth

Longer term aspirations

- Effectively integrate stakeholders into our ESG programmes

ESG strategy continued

Integrating ESG responsibly (G)

Our aim is to identify ESG targets, risks and opportunities. The implementation of identified ESG initiatives will be tracked and reported on.

UN SDGs	SDG target	ESG objectives	GRI standards	Metrics	KPIs	FY2024 update	Capitals	Material matters
16 PEACE, JUSTICE AND STRONG INSTITUTIONS	• Develop an effective, accountable and transparent institution	1 Manage ESG risks and opportunities	GRI 2-27 GRI 205-3 GRI 411-1 GRI 416-2 GRI 417-2 GRI 417-3 GRI 418-1	1.1 Identify risks	Prioritise risks	Enhance reporting, insights and disclosure. Develop and implement risk mitigation plan.	• Financial (page 25)	• Multi-jurisdictional legal and regulatory compliance (page 22)
				1.2 Develop risk mitigation plan	Implement risk mitigation plan			
				1.3 Identify and prioritise opportunities	Develop implementation plan for prioritised ESG opportunities			
		2 Drive and govern ESG responsibly	N/A	2.1 Active engagement with upstream and downstream suppliers re sustainability	• Regular ESG reporting • Prioritised ESG initiatives			

Risks

- Lack of business buy-in and commitment of budget to specific ESG projects and initiatives

Opportunities

- Refine our reporting on ESG
- Implementation of and reporting on specific initiatives will make ESG more visible in our business and to our stakeholders

Highlights

- KPIs and metrics have been identified to enable more effective tracking of ESG in the business

Longer term aspirations

- Proper measurement and tracking system for ESG to be developed and implemented
- Include ESG in KPIs for executives
- Build ESG into governance frameworks

Corporate governance

Metrofile Holdings Limited and its subsidiaries confirm their commitment to driving positive governance outcomes through principles, as advocated by the King IV™ Report on Corporate Governance for South Africa, 2016 ("King IV™"), and remain committed to complying with legislation, regulations and best practices relevant to the business.

During the year ended 30 June 2024 and up to the date of approval of this integrated annual report, the principles articulated in the JSE Listings Requirements and the King IV™ Report have been substantially applied.

Throughout the reporting period, action plans identified during the previous financial year have been implemented to further align the Company's governance principles with the King IV™ philosophy, principles and governance outcomes.

Throughout this section, we have reported on these action plans, as well as highlighted key focus areas for the next financial year.

The Board regards governance as fundamental to the success of Metrofile's business. It is committed to applying the principles of good governance in directing and managing the Group in order to achieve its strategic objectives.

As reported in the value creation and ESG sections of this report (refer to pages 14 to 42), the integration of our stakeholder engagement, material matters assessment, strategy and business model development, together with our performance management, outlook and ESG aspects, ultimately encapsulates the value creation story of the Group, overseen by our governance framework.

The Group endeavours to provide relevant reporting in a transparent manner to its stakeholders through the medium of the integrated annual report, annual and interim financial results, as well as supplementary reports and engagement with various stakeholders throughout the year.

Communicating with all stakeholders is a fundamental part of Metrofile's drive to provide timely, transparent and full disclosure. Metrofile is further committed to transparent reporting to all its stakeholders.

2024

We continued to focus on our stakeholder communication and investor relations to ensure that important and relevant information is provided to our stakeholders. During 2024 we enhanced ESG disclosure and related reporting.

2025

Stakeholder communication, investor relations and related governance disclosure will continue to be key focus areas for the 2025 financial year.

Business conduct, ethics and prevention of corruption

Metrofile is built on five promises, namely commitment, integrity, diversity, resourcefulness and collaboration, which support our vision of being our clients' trusted records and information management partner.

As such, the Group's business philosophy requires that directors, employees and business partners conduct themselves with honesty and integrity in all business practices to achieve the highest standard of ethical behaviour.

The Company has adopted a Code of Ethics, which is communicated to all employees and is available on the website. The purpose of the Code of Ethics is to prevent unethical business practices and to provide guidelines to ensure all our business dealings and partnerships are conducted fairly and ethically. The Code of Ethics stipulates, among other things, that the Company must ensure it practices good business ethics, as well as ensuring that all of its subsidiaries and business partners adhere to the Code of Ethics.

The Board considers sustainability to encompass environmental and social responsibility, good corporate governance and ethics, which are fundamental to the way the Company interacts with its stakeholders, investors, clients, suppliers, employees and the community.

Metrofile is committed to govern its activities in a manner that is commensurate with the overarching corporate governance principles of fairness, accountability, responsibility and transparency.

The Board, CEO and CFO lead by example in terms of commitment, honesty and integrity. The leadership team continually supports and promotes an integrity-driven culture.

Ethical and responsible leadership

As a member of the International Secure Information Governance and Management Association™ (i-SIGMA®), a non-profit trade association for the commercial information management industry, Metrofile subscribes to a philosophy of professionalism towards clients, fellow i-SIGMA® members and the public.

The Group subscribes to a whistle-blowing hotline, which is a channel for anonymous tip-offs relating to any matter of concern impacting the Group or our stakeholders. All tip-off reports are investigated and a summary of the tip-off reports, the investigation undertaken and the outcome thereof, are reported to the Audit, Governance and Risk Committee, as well as the Social, Ethics and Transformation Committee. This summary also includes any reports received via channels other than the whistle-blowing hotline. No material reports were made via these channels for the reporting period.

In addition, an annual declaration process exists for the Company's directors and management team covering gifts, disclosure of interest and compliance. No material matters were identified for reporting through this channel.

Organisational ethics is overseen by the Social, Ethics and Transformation Committee. As in the past, we continue to emphasise the following key themes to our staff regarding business conduct, ethics, exchange of gifts and entertainment, anti-bribery, anti-corruption and anti-competitive behaviour within the Group:

- Any wrong-doing, in accordance with the governance policies, should be reported via the anonymous whistle-blowing hotline
- Any non-compliance with Metrofile's values and rules will not be tolerated
- Managing fears that reporting unethical behaviour will lead to victimisation

All employees signed a confidentiality and privacy agreement as an addendum to their employment contracts. This addendum covers aspects around confidentiality, privacy and ethics, and includes the Group and individual employee's commitment towards ethics.

2024

For the 2024 year, we continued to conduct refresher training and internal campaigns to maintain focus on organisational ethics.

2025

During 2025, we will conduct an ethics survey to assess the ethics culture throughout the Group.

Responsible corporate citizenship

Corporate citizenship underpins Group strategy and reputation in so far as human, social and relationship and natural capital are concerned.

Corporate citizenship is overseen by the Social, Ethics and Transformation Committee and is reported on in the capitals outcomes section (refer to pages 29 and 30 for social and relationship capital feedback).

The Board acknowledges its responsibility to consider the impact of the Company's operations on the economy, community, environment and stakeholders in its decision-making and is committed to the principles of sustainability in achieving Metrofile's strategy. For Metrofile, sustainability encompasses environmental and social responsibility as well as corporate governance and ethics. The Group retains overall control of its subsidiaries, to ensure that its sustainable business model of longer term growth, built on a responsible, social and environmental platform, is filtered throughout the Company.

2024

We continued to build and deliver on our ESG KPIs as reported in the ESG section of this report.

Started to see reduction in measures to enable Metrofile to reach its ESG targets set.

2025

Refine goals and KPIs to enable us to deliver on our ESG promise, which is focused on being carbon neutral by 2030.

Board of directors

* Effective 31 September 2024, Pfungwa Serima resigned as Group CEO and Thabo Seopa was appointed effective 1 October 2024.

Board of directors

Phumzile Langeni (50)

Independent non-executive Chairman

BCom (Acc), BCom (Hons), MCom

Mary Sina Bomela (51)

Non-executive director and deputy Chairman

BCom (Hons), CA(SA), MBA

Stanley Thabo Moloko Seopa (60)*

Group Chief Executive Officer

BCom (Accounting), Higher Diploma in Tax Law, Diploma in Finance, Diploma in Management

Shivan Mansingh (38)

Group Chief Financial Officer

BAccSci, HDipAcc, CA(SA), MBA

Sindiswa Victoria Zilwa (57)

Lead independent non-executive director

BCompt (Hons), CA(SA), CD(SA), Advanced Diploma in Financial Planning (UFS), Advanced Diploma in Taxation (UNISA), Advanced Diploma in Banking (RAU)

Andile Khumalo (46)

Independent non-executive director

BCom (Accounting), Post Graduate Diploma in Accounting, CA(SA)

Lindiwe Evarista Mthimunye (50)

Independent non-executive director

BCom, CA(SA), MCom, HDip Tax Law

Christopher Stefan Seabrooke (71)

Independent non-executive director

BCom, BAcc, MBA, FCMA

Dominic Lebohang Storom (36)

Non-executive director

BCom (Hons), CA(SA), MCom, MBA

Leon Rood (47)

Independent non-executive alternate director to Chris Seabrooke

BCom, LLB

Pfungwa Gore Serima (59)*

Outgoing Group Chief Executive Officer

BSc (CompSc) and Business Studies

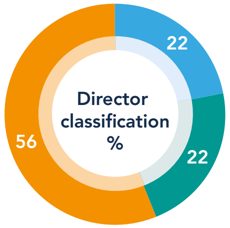
Board statement

The Board is satisfied that it has fulfilled its responsibilities in accordance with its charter for the reporting period and that it has complied with its legal and regulatory responsibilities throughout the period under review.

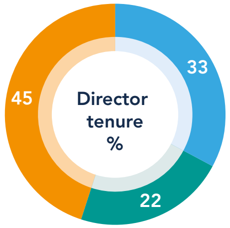
Board of directors continued

Composition*

The Board comprises a diverse group which has adequate and appropriate knowledge, skills and experience. This is necessitated by the size and nature of Metrofile's business, in order to act in the best interests of the Company and its stakeholders.



Executive
Non-executive
Independent non-executive



<5 years
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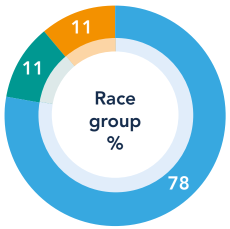
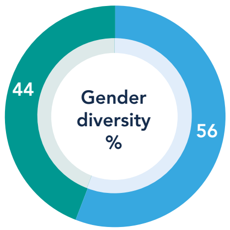


African
White
Indian



Male
Female

** At the date of publishing this integrated annual report.*

Each director brings independent judgement and experience to Board deliberations and decisions. The directors' technical, entrepreneurial, financial and business skills are well balanced.

The Board is chaired by Phumzile Langeni, an independent non executive director, and Pfungwa Serima was the Group CEO throughout the reporting period. Effective 31 September 2024, Phungwa resigned as Group CEO and Thabo Seopa was appointed effective 1 October 2024. The separation of these two roles ensures a balance of authority and precludes any one director from exercising unfettered powers of decision-making. An official succession plan for the role of Chairman and CEO is in place.

The Board comprises five independent non-executive directors, two non-executive directors and two executive directors.

Notwithstanding Phumzile Langeni's tenure of 12 years on the Board and her indirect beneficial interest of 8.40% in Metrofile as at 30 June 2024, the other Board members unanimously determined that Phumzile will continue to exercise strong independent judgement and leadership in her capacity as Chairman of the Group.

The Board continues to have a lead independent non-executive director, Sindi Zilwa, in order to strengthen the independence of the Board. The lead independent non-executive director's duties include:

- Assisting the Board to deal with management of any actual or perceived conflicts of interest that arise on the part of the Chairman
- Presiding at all meetings of the Board at which the Chairman is not present or where the Chairman is conflicted, including any sessions of the independent directors
- Serving as principal liaison between the independent directors and the Chairman
- Performing all functions that cannot be performed by the Chairman due to her absence or the existence of a conflict of interest
- Liaising with major shareholders if requested by the Board in circumstances or transactions in which the Chairman is conflicted.

All director appointments are a matter for the Board as a whole and are formal and transparent. The Board is satisfied that its composition reflects the appropriate mix of knowledge, skills, experience, diversity and independence.

The Board has adopted a Board diversity policy, which reflects race and gender targets and measures. At Board level the intent is to maintain a voluntary target of 40% female and 50% black. The Board met these targets at the date of publishing this integrated annual report, with 44% of our members being female, and 89% being black (African, Coloured, Indian).

Brief biographical details of each Board member are reported on page 45, with more detail available on the Company's website.

Board roles and responsibilities

In making its decisions, the Board strives to achieve the appropriate balance between the various stakeholder groupings, while adhering rigorously to its fiduciary duty to act in the best interests of the Company.

The Board charter, as well as the dynamic and well-balanced composition of the Board, ensures the best interests of the Group.

The Board of Metrofile is responsible for directing the Group towards achieving its vision and mission.

Board of directors continued

The charter, which is reviewed and updated every two years, sets out the specific roles and responsibilities to be discharged by the Board collectively, the individual Board member roles expected, as well as the requirements for its composition and meeting procedures. The Board has an annual work plan in order to ensure deliberation on all aspects as required by the charter.

The executive directors, being involved with the day-to-day business activities of the Group, are responsible for ensuring that the decisions, strategies and views of the Board are implemented. To fulfil their responsibilities, Board members have full and unrestricted access to relevant information and the services and advice of the Company Secretary. Directors may also obtain independent professional advice at the expense of the Company.

Board meetings

The Board meets at least four times a year (attendance for this reporting period is detailed in the adjacent table). The Board works to a formal agenda that covers strategy, structure, operating performance, growth initiatives, Group functional reporting, feedback from Board sub-committees and other key activities of the Group. To do so effectively, formal documents and minutes of all Board Committees are included in the Board papers.

At each Board meeting the executive directors report to the Board on board related matters. The executive directors' reports are supplemented by reports from the managing directors and Group functional heads (HR, IT, risk and operations). The chairmen of the Board sub-committees also report to the Board on delegated matters.

During the year, the Board received presentations from management on the strategic plans, budgetary matters, performance, as well as any other items requiring in-depth coverage in terms of the Group's authority framework. This authority framework is reviewed and approved by the Board on an annual basis.

Board and Committee attendance throughout 2024

	Board	AGRC	REMCOM	NOMCOM	SETCOM	STRATCOM
Phumzile Langeni	4/4		3/3	2/2	2/3	1/1
Mary Bomela	3/4		2/3	2/2	2/3	1/1
Pfungwa Serima (CEO)	4/4				3/3	1/1
Shivan Mansingh (CFO)	4/4				3/3	1/1
Sindi Zilwa	4/4	3/3		2/2	3/3	
Andile Khumalo	4/4	3/3			3/3	
Lindiwe Mthimunye	4/4	3/3	3/3		2/3	
Chris Seabrooke*	3/4		3/3	2/2		1/1
Thabo Seopa	4/4	3/3				1/1
Lebohang Storom						

** Chris Seabrooke was represented by his alternate, Leon Rood, at meetings for which he tendered his apologies.*

2024

During 2024 the Board of Directors deliberated in terms of the following key focus areas: leading with digital in key territories, expanding into new key territories, evaluating potential acquisitions and other areas of capital allocation, aggregating/ augmenting go-to-market solutions. In addition, the Board focussed on corrective actions after the first half of the financial year.

Apart from the standing agenda items, the following key priorities were deliberated at Board meetings:

September to November

- Integrated annual report and ESG disclosures
- Share buy-back

December to February

- Review and approval of interim financial results

2025

MRM SA turnaround realisation, launching add-on services to IPC preferably on an annuity base model, continuing in cloud services, geographical expansion into KSA as well as cloud expansion into Kenya, completing the closure and exit of Tidy Files, focusing on de-gearing the balance sheet, the East Africa focus and growth strategy and managing the competitor situation in the Middle East, will be key focus areas for 2025.

March to May

- Mitigating measures to address operational concerns reported during the H1FY2024 results announcement
- Risk register, policy and framework review
- Review and approval of Group authority framework
- FY2024 challenges and corrective actions

June to September

- Budget approval and strategy deliberations
- Approval of the FY2025 combined assurance plan and review of overall assurance conclusions relating to FY2024
- Approval of annual financial results

Board of directors continued

Performance evaluations

Every alternate year, the Board conducts formal performance evaluations. Board members complete an evaluation of the effectiveness of the Chairman via questionnaire, the results of which are sent directly to the Company Secretary for assessment, collation and feedback to the Chairman.

The Board assessments also include a formal performance evaluation of the Group CEO and Group CFO, comprising an evaluation by each member of the Board via a questionnaire that allows for detailed responses and comments. The Chairman provides a summary and feedback of these evaluations to the CEO and CFO, and they are encouraged to probe and debate any aspect of the evaluation with the full Board.

All Board and Committee members complete a detailed self-assessment probing the composition, duties, responsibilities, process and effectiveness of the Board and Committees. The respective Committee chairmen assess the performance of individual Committee members and the Board evaluates the respective Committee chairmen's performance. The results of the self-assessments are discussed at Board and Committee meetings. These appraisals enable each Committee to evaluate its effectiveness objectively and to conclude that it is operating effectively under the terms of reference in its charter.

The performance evaluations are collated by the Company Secretary. On behalf of the Board, the Company Secretary confirms that, based on the latest evaluation of the Chairman, the performance and commitment of Phumzile Langeni throughout her period of office has been highly satisfactory. On behalf of the Board, the Chairman confirms that, based on the latest evaluation of the Board and individual directors, the performance and commitment of all directors available for re-election, throughout their periods of office, have been highly satisfactory. Evaluations are considered an integral part of the re-election process. The Board is satisfied that the evaluation process is improving its performance and effectiveness. No action plans of a material nature were noted. Where material action plans are noted in future, these will be disclosed accordingly.

Board rotation

In terms of the Group's Memorandum of Incorporation (MOI), all non-executive directors retire by rotation every three years. In the event that no directors are due for rotation, the two with the longest period since re-appointment automatically retire. Retiring directors are proposed for re-election by shareholders.

At the 2024 AGM, Lindiwe Mthimunye, Andile Khumalo and Phumzile Langeni will retire by rotation and, being eligible, will offer themselves for re-election.

Independence

We specifically consider the independence of directors and their other commitments annually. This is done to determine whether a director has sufficient time to discharge his or her duties effectively and is free from conflicts that cannot be managed satisfactorily.

The Chairman and the Board re-assess the independence of independent directors on an annual basis. The King IV™ code suggests that the re-appointment of an independent director after a term of nine years should be seriously considered as it is suggested that after nine years their independence may be impaired. Non-executive directors of the Company may continue to serve, in an independent capacity, for longer than nine years if, upon an assessment by the Company conducted every year after nine years, it is concluded that the director exercises objective judgement and there is no interest, position, association or relationship which, when judged from the perspective of a reasonable and informed third party, is likely to influence unduly or cause bias in decision-making.

The Board is of the view that all independent non-executive directors are independent, in accordance with the King IV™ code. We reconfirmed the independence of our non-executive Chairman who had been in office for three years and who has been a member of the Board of Directors for 12 years.

All existing non-executive directors are subjected to a rigorous review by the Nominations Committee, irrespective of tenure. Notwithstanding Chris Seabrooke's tenure of 21 years, Mary Bomela's tenure of 14 years and Sindi Zilwa's tenure of 12 years, the Nominations Committee and other Board members have determined that these Board members continue to exercise strong independent judgement.

The directors' interests are disclosed in the annual financial statements available on the Company's website as well as on page 80 of this integrated annual report where changes to the directors' interests between the end of the financial year and the date of approval of this integrated annual report have been disclosed.

Company Secretary

The duties of the Company Secretary include:

- Ensuring that Board procedures are followed and reviewed regularly
- Ensuring compliance with the applicable rules and regulations for the conduct of the affairs of the Board
- Providing the Board and individual Board members with detailed guidance as to how their responsibilities should be properly discharged in the best interests of the Company and in line with good governance
- Providing counsel and guidance to the Board on its individual and collective powers and duties
- Eliciting responses, input and feedback for Board and Board Committee meetings
- Preparing and circulating Board and Board Committee papers timeously
- Ensuring preparation and circulation of proper minutes of shareholder, Board and Board Committee meetings
- Maintaining statutory records in accordance with legal requirements
- Reporting to the Board on any non-compliance with the MOI or Companies Act
- Certifying in the annual financial statements that the Group has filed the required notices and returns timeously in accordance with the Companies Act
- Ensuring that the Group's annual financial statements are properly distributed
- Carrying out the other functions required of a Company Secretary by the Companies Act and the JSE Listings Requirements
- Considering the regulatory universe, preparing and providing the Board with updates and proposed changes to laws and regulations affecting the Group
- Assisting the Nominations Committee with the appointment of directors
- Advising the Nominations Committee on all legal and regulatory matters, including legal frameworks and processes
- Advising the Nominations Committee with respect to all regulatory filing and public disclosure relating to the Company's governance processes
- Assisting with director induction and training programmes
- Ensuring that the Board charter and the terms of reference of Board Committees are kept up-to-date
- Drafting annual work plans with the Chairman of the Board and the individual Board Committee chairmen
- Assisting with the evaluation of the Board, Board Committees and individual directors
- Keeping abreast of current corporate governance thinking and practice, and informing the Board accordingly

Statement

- The Board confirms that for the 2024 financial year, the Company Secretary has maintained an arm's length relationship with the Board and that she was not a director of the Company. The Board further confirms that the Company Secretary remained independent, irrespective of her role as Group Risk Officer.
- The Board has considered and satisfied itself of the Company Secretary's competence, qualifications and experience throughout the reporting period. The Board is satisfied that the Company Secretary has carried out her duties as set out above.

Governance framework and delegation of authority

The Group's governance structure provides for delegation of authority while enabling the Board to retain effective control.

The Board has established five Committees to assist with its duties, namely the Audit, Governance and Risk Committee, the Nominations Committee, the Remuneration Committee, the Social, Ethics and Transformation Committee and the Strategy and Investment Committee. The principles of ESG, as well as the four dimensions of Metrofile's approach to ESG are embedded in the tasks and actions of the Committees, and the Committees specifically report on ESG as it applies to their roles and responsibilities.

The structure and composition of these Committees are reported on in the next section of this report. The Committee charters, which are available on the Group's website are reviewed every two years in line with King IV™. The individual Committee feedback is also detailed in the next section of this report.

The Board delegates authority to these established Board Committees as well as to the executive directors with clearly defined mandates. The Board is satisfied that the Group's authority framework contributes to role clarity and the effective exercise of authority and responsibilities. The Board is responsible for setting strategic and operational direction and policy and this is filtered down to all subsidiaries. The Nominations Committee and Social, Ethics and Transformation Committee review executive director and senior management succession plans and are satisfied that robust succession plans are in place at Group and subsidiary level.

Group authority framework

Shareholders and other stakeholders

Board of Directors – Metrofile Holdings Limited

1. Audit, Governance and Risk Committee
2. Remuneration Committee
3. Social, Ethics and Transformation Committee
4. Nominations Committee
5. Strategy and Investment Committee

Executive directors (Group CEO and CFO)

Group executive committee consisting of subsidiary MDs and Group functional heads

Group subsidiaries and associates

South Africa

- MRM
- Products and services including:
  – Tidy Files*
  – Cleardata
  – Metrofile VYSION
  – IronTree

Rest of Africa

- Botswana
- Kenya
- Mozambique

Middle East

- UAE
- Oman

* *During the 2024 financial year, a decision was taken to close the Tidy Files' manufacturing component. Subsequent to year-end, effective 1 August 2024, Metrofile concluded the sale of assets and brand name to a third party as part of the closure of the Tidy Files' manufacturing operation.*

Sub-committee structure and report back

Audit, Governance and Risk Committee (AGRC)

Each sub-committee's roles and responsibilities, composition requirements and meeting procedures are reflected in the respective charters, which are published on the Company's website.

The purpose of the charters is to regulate how business is to be conducted by the sub-committees in accordance with the principles of good corporate governance and other legal requirements. The charters are reviewed and updated every two years.

Statement

- The Committee is satisfied that it has fulfilled its responsibilities in accordance with its terms of reference for the reporting period.
- Also refer to the Audit, Governance and Risk Committee report in the annual financial statements available on the Company's website.

Agenda

On the 2024 agenda

Apart from the standing agenda items and statutory requirements, the Committee specifically focused on the following matters during the reporting period:

- Cash generation and conversion through active management of working capital components and balance sheet efficiencies
- Levels of net debt and lowering finance costs
- JSE proactive monitoring of financial statements
- Tracking of IT strategy, roll out of roadmap and information security
- CEO and CFO responsibility statement on internal financial and financial reporting controls as per JSE Listings Requirements
- Closure of the ERP roll-out project
- Cybersecurity awareness for Board members

Capitals forming part of the agenda

- Financial capital
- Manufactured capital (properties, buildings, warehouses, assets, IT equipment)
- Human capital (CFO, finance function, risk and compliance function)
- Intellectual capital (information and technology)

Report back in terms of the following governance functional area

- Risk and opportunity management
- Technology and information
- Compliance and share dealings
- Combined assurance plan
- Internal control and management reporting
- External audit
- Internal audit
- CFO and Group finance function

Meeting schedule

The Committee met three times in 2024

Additional 2025 focus areas

Amendments to the Companies Act in South Africa

Composition

Members
Sindi Zilwa (Chairman)
Lindiwe Mthimunye
Andile Khumalo
Thabo Seopa*

Permanent invitees
Chris Seabrooke
Lebohang Storom
Phumzile Langeni

Other regular attendees
Pfungwa Serima#
Shivan Mansingh
Members of executive management
Internal audit
External audit

* *Thabo Seopa resigned as a member effective 1 October 2024 due to his appointment as Group CEO*
# *Effective 30 September 2024, Pfungwa Serima resigned as Group CEO*

Sub-committee structure and report back continued

Remuneration Committee (REMCOM)

Statement

- The Committee is satisfied that it has fulfilled its responsibilities in accordance with its terms of reference for the reporting period.
- Refer to the remuneration report on pages 62 to 73 for more details on Metrofile's remuneration philosophy, policy and implementation report.

Agenda

On the 2024 agenda

The main issues considered and approved by the Remuneration Committee for the 12 months ended 30 June 2024:

Company-wide remuneration

- Approved overall remuneration increases in line with available market information and relevant benchmarking.
- Considered remuneration, reward and retention policy with specific focus on employees who meet our diversity, equity and transformation requirements.
- Ensured that STIs continued to meet business objectives and generate shareholder value.
- Reviewed employee benefits.
- Conducted an initial pay gap analysis in respect of potential income and gender pay disparities within the Company.

Executive remuneration

- Reviewed the total guaranteed package (TGP) increases against the market for executive directors, prescribed officers and senior management.
- Reviewed the inclusion of ESG metrics in the incentives for executive directors, prescribed officers and senior management and agreed that these would be included in the 2025 short-term incentive criteria.

Non-executive directors (NEDs)

- Ensured the Company's recommendations for remuneration of non-executive directors are equitable and aligned with the average increase approved for the executive and senior management in the organisation.

Governance and compliance

- Corporate governance on remuneration aspects.
- Ensured that the remuneration policy and implementation report are put to a non-binding advisory vote at the AGM of shareholders.
- Considered current and projected remuneration trends in local and specific markets in the Rest of Africa and the Middle East.

Performance relating to the reporting period performance cycle

- Reviewed and approved the 2024 STI outcomes, paid post the 2024 financial year-end.
- Reviewed and approved the 2024 LTI outcomes, awarded post the 2024 financial year-end.
- Performance relating to the forthcoming performance cycle.
- Agreed to utilise the services of external remuneration advisors to realign the 2025 STI targets for executive directors, prescribed officers and senior management.

Capitals forming part of the agenda

- Human capital
- Social and relationship capital

Report back in terms of the following governance functional area

- Compliance
- Remuneration report

Meeting schedule

The Committee met three times in 2024

Additional 2025 focus areas

- Providing transparency on pay ratios, the income gap and trends with respect to the gender pay gap
- KPIs for ESG objectives will be considered in the future
- Amendments to the Companies Act in South Africa

Composition

Members

Lindiwe Mthimunye (Chairman)
Mary Bomela
Chris Seabrooke
Phumzile Langeni

Occasional invitees

Pfungwa Serima#
Shivan Mansingh

(neither may take part in any discussions regarding their own remuneration)

The Committee employs the services of specialist consultants in the field of executive remuneration to assist when necessary.

Effective 30 September 2024, Pfungwa Serima resigned as Group CEO

Sub-committee structure and report back continued

Social, Ethics and Transformation Committee (SETCOM)

Agenda

On the 2024 agenda

Apart from the standing agenda items and statutory requirements, the Committee specifically focussed on the following matters during the reporting period:

- Reviewing and tracking BEE targets aligned to the business objective to retain its BEE Level 1 rating
- Focus on understanding how individual business units contribute to the overall BEE score
- Starting to understand minimum wage, wage gap and internal pay ratios and the implications of these for future transparency
- Considering the impact of IFRS S1 and S2 for future ESG reporting and auditing
- Proposing the implementation of a culture survey to be used as a basis for driving people change in the business

Capitals forming part of the agenda

- Human capital
- Social and relationship capital
- Natural capital

Report back in terms of the following governance functional area

- Business conduct, ethics and prevention of corruption
- Compliance
- ESG review

Statement

The Committee is satisfied that it has fulfilled its responsibilities in accordance with its terms of reference for the reporting period. Refer to the Social, Ethics and Transformation Committee report in the annual financial statements available on the Company's website.

Meeting schedule

The Committee met three times in 2024

Additional 2025 focus areas

- Review pay ratios, the income gap and trends
- Amendments to the Companies Act in South Africa

Composition

Members

Mary Bomela (Chairman)
Phumzile Langeni
Shivan Mansingh
Lindiwe Mthimunye
Pfungwa Serima#
Sindi Zilwa
Andile Khumalo

Permanent invitees

Members of executive management

Effective 30 September 2024, Pfungwa Serima resigned as Group CEO

Sub-committee structure and report back continued

Nominations Committee (NOMCOM)

Agenda

On the 2024 agenda

Apart from the standing agenda items, the Committee specifically focussed on the following matters during the reporting period:

- Board, Chairman, CEO, CFO and Committee performance evaluation process
- Board and Committee changes, composition and independence
- Succession planning for the Board, CEO, CFO and senior management

Capitals forming part of the agenda

- Human capital (Board, senior management)

Report back in terms of the following governance functional area

- Board of Directors
- Compliance

Meeting schedule

The Committee met twice in 2024

Additional 2025 focus areas

Technical digital skillset of the Board

Composition

Members

Phumzile Langeni (Chairman)
Chris Seabrooke
Mary Bomela
Sindi Zilwa

Occasional invitees

Pfungwa Serima#
Shivan Mansingh

Effective 30 September 2024, Pfungwa Serima resigned as Group CEO

Statement

The Committee is satisfied that it has fulfilled its responsibilities in accordance with its terms of reference for the reporting period.

Sub-committee structure and report back continued

Strategy and investment Committee (STRATCOM)

Agenda

On the 2024 agenda

Apart from the standing agenda items, the Committee specifically focussed on the following matters during the reporting period:

- Considered specific proposals for acquisitions, disposals or investments
- Considered the Group's property portfolio
- Reviewed the share buy-back programme
- Commenced a review of the Group's financial facilities and finalised the refinancing agreements
- Decision to close the Tidy Files manufacturing operations

Capitals forming part of the agenda

- Financial capital
- Manufactured capital

Report back in terms of the following governance functional area

- Strategy

Meeting schedule

The Committee met once in 2024

Additional 2025 focus areas

- Property portfolio review
- Finalise closure of the Tidy Files' manufacturing operations

Composition

Members

Mary Bomela (Chairman)
Phumzile Langeni
Shivan Mansingh
Chris Seabrooke
Thabo Seopa
Pfungwa Serima#
Andile Khumalo*

 # Effective 30 September 2024, Pfungwa Serima resigned as Group CEO

** Andile Khumalo was appointed as a member to the STRATCOM effective 1 October 2024*

Statement

The Committee is satisfied that it has fulfilled its responsibilities in accordance with its terms of reference for the reporting period.

Governance functional areas

The governance functional areas contemplated in King IV™ are essentially embedded in the underlying elements of our integrated reporting and thought process. Oversight and report back of these functional areas is maintained by the Board and its sub-committees as per the adjacent table.

Functional area	Committee oversight	Report back throughout this integrated annual report	Page reference
Risk and opportunity management	AGRC	Risks and opportunities Material matters and mitigation Risk governance	18 19 to 23 56 and 57
Technology and information	AGRC	Material matters and mitigation Information technology Information and privacy	19 to 23 56 and 57 58
Compliance governance	AGRC SETCOM	Compliance Share dealings	58 and 59 59
Assurance	AGRC	About this report Combined assurance plan Internal control and management reporting External audit Internal audit CFO and finance function Independent auditor's report Audit, Governance and Risk Committee's report	1 59 and 60 60 60 and 61 61 61 * *
Stakeholder relationship	SETCOM	Material matters and mitigation Social and relationship capital Stakeholder analysis	19 to 23 29 and 30 31
Corporate citizenship	SETCOM	Natural capital Social and relationship capital Human capital	27 29 and 30 31
ESG	AGRC SETCOM	ESG review	32 to 42
Remuneration	REMCOM	Remuneration report	62 to 73

* *Available in the annual financial statements on the Company's website.*

Risk governance

The Board of Directors has committed to a process of risk and opportunity management that is aligned to generally accepted good practice as well as the principles of corporate governance as reflected in the King IV™ code. The Group's process of risk and opportunity management is contained in the Metrofile integrated risk and combined assurance policy and framework and it is expected that all subsidiaries, functions and departments within Metrofile will be subject to these risk management principles.

As there is no separate Risk Committee, the Audit, Governance and Risk Committee takes responsibility for matters relating to risk and the mitigation thereof. The Audit, Governance and Risk Committee sets the Group's risk strategy, as delegated by the Board of Directors, in liaison with the executive directors and senior management, making use of generally recognised risk management and internal control models and frameworks in order to maintain a sound system of risk management and internal control.

The responsibility and accountability for implementation of risk management rests with management and staff. The Board of Directors retains accountability and responsibility for the overall process of risk and opportunity management and has established an ongoing process for identifying, evaluating and managing the significant risks faced by the Group. The Board and the Audit, Governance and Risk Committee monitor risk management activities as a standard item on their agendas and have a specific risk-focussed meeting once a year. The Group Risk Officer reports to Shivan Mansingh, the Group CFO, and is responsible for risk management within the Group.

Governance functional areas continued

The Audit, Governance and Risk Committee identifies and monitors, at least annually, key performance indicators and key risks or opportunities that could affect the Company's business model, the six capitals and the environment, society and economy in which the Company operates. The realisation of Metrofile's business strategy depends on its management being able to take calculated risks in a way that does not jeopardise the direct interests of stakeholders.

An enterprise-wide approach to risk management has been adopted by the Group, which means that identified material risks are included in a structured and systematic process of risk and opportunity management. These are managed within a unitary framework that is aligned to the entity's corporate governance responsibilities. Metrofile is committed to establishing appropriate mechanisms to serve as early warning for emerging or unpredictable risks.

The risk management process involves the identification of the key risks facing the business and the implementation of controls to mitigate the risks. Risks are further informed by means of formalised incident reporting. Strategic risks are continually reviewed and ranked by inherent risk based on the evaluation of the probabilities and severity for each risk.

The mitigation of each risk is assessed based on controls put in place and the resultant residual risk is also calculated. A comprehensive risk register is in place and constantly managed by the appropriate executive management members. A summary of the risks and opportunities has been included in the material matters section of this integrated annual report on pages 19 to 23.

The Board obtains assurance that the controls over the identified risks are operating effectively by means of the combined assurance framework and plan (more detail is provided on pages 59 and 60 under combined assurance plan). Equally, compliance with relevant legislation is ensured through these processes and fulfils the expectations of employees, communities, the shareholders and other stakeholders in terms of due care and corporate governance.

The Board sets the level of risk tolerance and limits of risk appetite for Metrofile as part of its strategic direction setting of the Group. No risks outside the Company's tolerance level were noted, however, risks and related mitigations continue to receive the appropriate Board and executive management attention in order to reduce residual risk exposures in line with set targets.

In evaluating the risk of acquiring new businesses and entering new geographies, as well as directing the development of existing businesses and technologies, the Board takes a prudent approach to risk, informed by many years of experience in the Group's main business streams. The Board also draws on the experience of its non-executive directors in other fields of business in setting the Group's approach to risk in a wider context.

During the reporting period, the Audit, Governance and Risk Committee has reviewed, and recommended to the Board for approval, the integrated risk and combined assurance policy and framework, as well as the Company's strategic risk register. In addition, the Committee reviewed and considered the consolidated subsidiary related strategic risk dashboard in order to assess that the integrated risk and combined assurance policy and framework has been embedded throughout the Group. Senior management within the Group also tracks action plans identified to enhance the related control environments in order to reduce the residual risk profile of the Group further.

2024

Focus was placed on tracking risk action plans for the Company and subsidiary Group companies to continue to mitigate identified risks.

2025

Focus will be placed on reporting against key risk indicators (KRIs) set in a more formalised manner.

Technology and information

Information technology

Information technology is a key driver of digitisation and digitalisation transformation at Metrofile and is essential to our strategy. We utilise technology to deliver digital solutions that create value for our stakeholders.

IT strategy

IT is an integral function enabling the Group strategy in an increasingly complex and global environment. Our information technology strategy is aligned with the overall Group strategy, guiding the strategic direction of the IT function. We continuously work to enhance both our internal and external technologies and associated platforms, ensuring that we effectively leverage our capabilities across the Group.

2024

Highlights for FY2024 included the following:

- Matured operational frameworks focusing on systems' availability and stability
- Implementation of core internal group applications
- Continuous enhancement and improvements of information governance and information security practices
- Establishment and completion of key business and technology transformation projects
- Implementation of the Group information technology and infrastructure portfolio of projects.

IT governance

Our Group Audit, Governance and Risk Committee, supported by the Group IT Steering Committee and the Group CIO, is responsible for the governance and management of information technology.

Information technology is managed according to the Group's information technology charter and the ICT governance and

Governance functional areas continued

management framework. This framework outlines the structure and responsibilities of IT within the Group and aligns with the Board's requirements and its sub-committees, as well as the King IV™ standards and other governance and security protocols adopted by the Group.

IT risk

Technology and information are essential to our business operations. We continue to implement our IT security strategy to mitigate risks that could affect the stability, security, confidentiality, availability, and integrity of our information and systems by identifying, assessing, and mitigating them within the Group Risk Framework. The following risks are prioritised as crucial to the Group's strategic goals:

- **Information security and cybersecurity risks** are a primary concern due to the evolving cyberlandscape, rising sophistication and frequency of cyberattacks. Given our role in highly regulated industries such as healthcare, financial, and legal sectors, these risks are especially alarming. A cyberattack on Metrofile could lead to significant business disruptions, increased operational costs, heightened regulatory scrutiny, and potential damage to our reputation.
- **Technological resiliency risk** is another key focus, associated with the ability to recover or withstand disruption to or malfunction of critical IT infrastructure, systems or applications that support key business processes and client services.
- **Third party risks** due to the growing reliance on technology service providers heightens the potential impact of third-party disruption, cyberthreats and data management. These partners provide various supporting services within the Group IT function, effectively making them an extension of our service delivery. Any compromise in their environments could adversely affect the availability and delivery of Metrofile's services to both internal and external clients. Therefore, we require them to comply with or exceed our standards through continuous monitoring and assessments.

Assurance related to information and technology risks is woven into our combined assurance plan, which oversees the effectiveness of controls aimed at mitigating these risks. The outcomes of assurance activities – including ongoing vulnerability assessments, periodic penetration tests, audits, and evaluations of the Group's IT resilience – are reported regularly to the Audit, Governance and Risk Committee.

Data stewardship

We have a fiduciary responsibility to safeguard the data we collect and as such, we have established measures throughout the Group to ensure data integrity, confidentiality, privacy, and security. Our main risks stem from the continually growing threats associated with cybersecurity and data protection. Consequently, Metrofile has adopted and implemented leading frameworks and standards for privacy and information security.

2025 and beyond

- Transitioning the Metrofile Group's IT strategy to operations ensuring alignment of business objectives
- Continuous improvement and maturity of cybersecurity, IT resiliency and data governance posture
- Leveraging emerging technologies such as AI, machine learning and robotics process automation to ensure relevance and keeping abreast of the latest technologies to deliver improved customer experience, efficiencies and introduce new capabilities
- Growth, development and retention of internal IT people
- Establishing strategic partnerships to leverage core technologies and skills to deliver on our objectives.

Information and privacy

In South Africa and the other jurisdictions in which we operate, the Group is governed by laws that control the processing and security of personal information, both the information we process on behalf of our clients and our own information, including information about our employees.

Metrofile recognises information protection as a business imperative first and foremost, and secondly as a regulatory, legal and reputational issue. As such, Metrofile strives to comply with applicable information protection laws and regulations related to information privacy in the countries where the Group operates. The Group takes necessary precautions and actions through our implemented privacy policies, procedures and protocols to ensure the protection of the personal information of our clients, employees and other third parties.

2024

Ongoing compliance monitoring of the privacy control environment.

2025

Third party management to ensure compliance with the Group's policies, procedures and protocols.

Compliance governance

Compliance

Compliance matters are the responsibility of subsidiary MDs and functional heads, who report on these matters to the executive directors and Group functional heads (IT, risk, HR and operations), who are invitees to and/or members of the Audit, Governance and Risk Committee and the Social, Ethics and Transformation Committee.

Governance functional areas continued

The assurance activities planned as part of the combined assurance plan are to assist management and the Board in identifying potential non-compliance issues. In addition, the subsidiary MDs and functional heads are responsible for annually confirming compliance with applicable legislation, regulations and internal Company policies and procedures of a material nature. Quarterly incident reporting is in place in order to report risk incidents and material or repeat non-compliant matters. During the reporting period, no material or repeat non-compliant matters were identified.

As in previous years, the Group's regulatory universe, listing the prioritised high-risk acts, was reviewed and updated. Prioritisation is based on the applicability of the act and its potential consequences (impact of non-compliance). The prioritised high-risk acts have been assigned an owner, who is responsible for ensuring that material compliance aspects are covered in the respective policies, processes and procedures.

In addition, by linking the regulatory universe to similar pieces of legislation in other jurisdictions in which the Group operates, the Group's compliance monitoring capabilities are further enhanced.

Our regulatory universe and risk compliance processes ensure that key internal controls are in place to mitigate the compliance risk and to ensure compliance with new or changed legislation. In addition, by linking the regulatory universe to similar pieces of legislation in other jurisdictions in which the Group operates, the Group's compliance monitoring capabilities are further enhanced.

2024

During FY2024, the OHS and risk compliance control environment, information security and privacy received continued compliance attention.

2025

Enhancing the Group's compliance monitoring capabilities remains a key focus area.

Share dealings

All share dealings by a director, the Company Secretary or prescribed officer must be authorised by either the Chairman or CEO. Any dealings by the CEO are authorised by the Chairman and dealings by the Chairman are authorised by the CEO.

A formal share dealing guideline has been adopted by the Board. Restrictions are imposed upon directors and senior management in the trading of Metrofile shares and upon all employees regarding the exercising of Metrofile share-based incentives during certain closed periods. In light of the JSE Listings Requirements, the insider-trading laws and good corporate governance, the Remuneration Committee has advised that employees are not permitted to exercise their share options during closed periods or when in possession of unpublished price-sensitive or inside information relating to Metrofile.

The closed periods begin the day after each reporting period (these reporting dates being 31 December and 30 June) and end on release of Group results. A closed period also applies whenever Metrofile issues a cautionary announcement and until it is withdrawn.

Assurance

Combined assurance plan

The Audit, Governance and Risk Committee, and ultimately the Board of Directors, is responsible for ensuring a robust combined assurance plan for the Group. A combined assurance plan aims to optimise the assurance coverage obtained from management, internal assurance providers and external assurance providers on the risk areas affecting the Group. The Board implemented a formal combined assurance plan in order to co-ordinate and monitor the provision of assurance.

The objectives of the combined assurance plan are to:

- Identify and specify all the sources of assurance over Metrofile's risks
- Co-ordinate the efforts of, and increase collaboration amongst management, internal and external assurance providers
- Be used for the purposes of planning the assurance provided by management, Group oversight functions, internal and external assurance providers across business processes associated with identified business risks and exposures
- Provide the Board, Audit, Governance and Risk Committee and management with information and comfort on the completion and efficiency of the assurance being obtained from all the assurance providers
- Demonstrate good governance through the linking of risk management with assurance
- Provide a basis for identifying any areas where additional assurance may be required
- Allow for the elimination of duplicated and/or excessive assurance
- Assist the Board in forming its opinion on the effectiveness of the risk management system.

The Group's strategic risk register forms the basis for determining the combined assurance plan for Metrofile. The plan is developed through analysis of the key exposures facing Metrofile, in order to ensure the completeness of the risk universe, and aligning these risks to strategic value drivers. The risks are further linked to assurance providers in order to ensure a robust assurance universe. The combined assurance plan is prepared in order to achieve the objectives above and to ensure that Metrofile obtains a high level of assurance coverage over its key risks. Within Metrofile there are several assurance providers that directly or indirectly assure the Board and management over the effectiveness of controls for which they have responsibility. These controls include mitigating the risks identified in the risk assessment process described earlier in this report.

The primary assurance provider is Metrofile management, supported by the other levels of 'defence'. Annually, the combined assurance plan is reviewed and assurance activities are formalised to be completed. The results of these activities are reported to the Audit, Governance and Risk Committee in order to enhance the overall control environment.

Governance functional areas continued

The assurance provided is also categorised into four levels of 'defence', which for the Group are classified as follows:

1st level	Subsidiary management and line functions provide assurance on a more informal basis, including strategy development and implementation, performance measurement, risk management, company control and monitoring of compliance with laws and regulations.
2nd level	Group oversight functions provide assurance with more formality. This includes the risk and compliance management structures of the Company such as risk management, compliance officers, occupational health and safety, legal services and internal control units as well as finance, human resources and Group management.
3rd level	Independent assurance providers (e.g. internal audit, external audit and others).
4th level	Oversight structures – made up by the Metrofile Holdings Board and the over-arching oversight structures in the Company including the Board sub-committees.

Metrofile has a comprehensive and robust assurance plan in place, which is subject to the effective provision of assurance by all responsible parties. The Audit, Governance and Risk Committee therefore recommended the combined assurance plan and assurance activities to the Board for approval.

Statement

The Audit, Governance and Risk Committee is satisfied with the effectiveness of the combined assurance plan and arrangements, and that it meets the objectives detailed in this section of the report.

Internal control and management reporting

The Board is responsible for the Group's system of internal control, including internal financial control, which is designed to ensure operational effectiveness and efficiency, compliance with laws, regulations and policies, safeguarding of assets, prevention and detection of error and fraud, to ensure the accuracy and completeness of accounting records and the reliability of financial statements.

The execution of the Group's combined assurance plan, and subsequent reporting of results thereof, enhances the reliance on the effectiveness of the design and implementation of the Group's system of internal control.

The Group has established management reporting disciplines, which include the preparation of annual budgets by subsidiaries. Monthly results and the financial performance of subsidiaries are reported against approved budgets.

Financial forecasting, inclusive of revenue, profit, interest, capital expenditure, cash flows and dividends, are reviewed regularly. Working capital, borrowing facilities and compliance with bank covenants are monitored on an ongoing basis. All financial reporting by the Group, including external financial reporting and internal management reporting, is generated from financial systems, subject to the internal controls and risk management procedures, as described in this report.

While we recognise that systems of internal control can provide only reasonable and not absolute assurance, none of the internal audit or other assurance provider reviews conducted, indicated that the system of internal control was inappropriate or functioning unsatisfactorily.

2024

During the 2024 financial year, management continued to enhance its policies, procedures and processes in order to enable the CEO and CFO responsibility statement on internal financial and financial reporting controls as required by the JSE Listings Requirements 3.84(k). The Audit, Governance and Risk Committee had overall oversight over this process and concluded accordingly in the Audit, Governance and Risk Committee report in the annual financial statements, available on the Company's website.

2025

For 2025, we will continue to enhance the control environments based on processes and procedures that have been established in the past.

External audit

The Audit, Governance and Risk Committee reviews the scope, independence and objectivity of the external auditor and agree on appropriate fees. During the year, BDO South Africa Incorporated was the external auditor of the Company and its subsidiaries. The Committee is responsible for recommending the external auditor for appointment by shareholders and for ensuring that the external auditor is appropriately independent.

Governance functional areas continued

Shareholders ratified the appointment of BDO South Africa Incorporated as external auditor to the Group at the previous annual general meeting. BDO South Africa Incorporated has been the auditor for Metrofile Holdings Limited and its subsidiaries for two years.

Statement

For the reporting period, the Committee is satisfied with the quality of the external audit and its decision is informed by the outcome of external inspections conducted by the IRBA and the internal monitoring process of BDO South Africa Incorporated.

The external auditor has unrestricted access to the Audit, Governance and Risk Committee and presents formal reports at the Committee meetings. The external auditor carries out an annual audit of all the Group's subsidiaries in accordance with International Standards and Auditing (ISA) and reports in detail on the results of the audit to the Audit, Governance and Risk Committee. The external auditor is thus the main external assurance provider for the Board in relation to the Group's financial results for each financial year.

The nature and extent of non-audit services provided by the external auditor is reviewed and approved to ensure that fees for such services do not become significant enough to call into question their independence of Metrofile. The Audit, Governance and Risk Committee regularly reviews the external auditor's independence and maintains control over the non-audit services, provided by the external auditor.

The Committee has adopted a guideline that fees paid to the Group external auditor for non-audit services should not exceed the level of audit fees charged to the Group. If it appears that this guideline will be breached consistently, non-audit services will be outsourced to a third-party auditor. Non-audit services provided by the external auditor are required to be specifically approved by the Chairman of the Committee or by the full Committee if the fees are likely to be in excess of R500 000 in aggregate. The external auditor is prohibited from providing non-audit services, including valuation and accounting work where its independence might be compromised by later auditing its own work.

Also refer to the Audit, Governance and Risk Committee report in the annual financial statements available on the Company's website.

Internal audit

Metrofile has outsourced the internal audit function of the Group to KPMG. The Audit, Governance and Risk Committee reviews the operation of the Group's internal audit function annually and the internal audit charter every two years, and recommends it to the Board for approval.

The purpose of internal audit is to have an independent appraisal function which examines and evaluates the activities and the appropriateness of the systems of internal control, risk management and governance processes. Internal audit assists the Board, through the Audit, Governance and Risk Committee, to effectively discharge its responsibilities.

Internal audit is a key assurance provider and provides the Board, through the Audit, Governance and Risk Committee, with a report of its activities which, along with other sources of assurance, is used by the Board in making its assessment of the Group's system of internal controls, risk management and corporate governance.

The internal audit function operates within defined terms of reference as set out in its charter and authority granted to it by the Audit, Governance and Risk Committee and the Board. Internal audit plans are presented in advance to the Audit, Governance and Risk Committee and are based on an assessment of risk areas involving an independent review of the Group's own risk assessments and the combined assurance framework.

The internal audit function goes through an independent quality review in line with the Institute of Internal Auditors' standards as set out in the internal audit and Audit, Governance and Risk Committee charters. KPMG performs regular internal quality reviews of its internal audit accounts. These reviews are conducted by senior KPMG personnel who are independent of the engagement team's office(s).The KPMG audit team reports to the Group Risk Officer and CFO on day-to-day matters.

Statement

The Audit, Governance and Risk Committee is satisfied with the effectiveness of the internal audit arrangements and that internal audit has met is responsibilities for the year with respect to its terms of reference.

CFO and Group finance function

As required by the JSE Listings Requirements and King IV™, the Audit, Governance and Risk Committee annually considers and satisfies itself of the appropriateness of the expertise and experience of the Group CFO. His biographical details can be found on the Company's website. Furthermore, the Committee considers annually the appropriateness of the expertise and adequacy of resources of the Group's finance function and the experience of senior management responsible for the finance function.

Statement

For the year under review, the Committee has satisfied itself on these points.

Remuneration report

The Remuneration Committee (REMCOM) is pleased to present the remuneration report for the 12 months ended 30 June 2024.

Structure of report

In line with the principles of King IV™, this report is presented in three parts:

Part 1: Background statement (1)	Part 2: Our remuneration policy (2)	Part 3: Implementation report (3)
A background statement as per the Committee Chair that summarises key policy considerations for 2025, an at a glance overview of the remuneration outcomes for 2024 and the manner in which the Committee approaches remuneration governance	Our remuneration policy which sets out the main factors shaping our remuneration philosophy, the remuneration policy for 2024, our approach to executive remuneration and our approach to wider workforce pay in 2025	The application of our remuneration policy during the 2024 financial year

Composition

Members

Lindiwe Mthimunye (Committee Chair)
Phumzile Langeni
Mary Bomela
Chris Seabrooke

Our REMCOM meets three times a year.

For further information refer to page 52

Structure and function of the Committee

The Committee serves to provide oversight over the administration of the remuneration policy within Metrofile. The Committee reviews and provides recommendations on the Company's group-wide remuneration strategy based on the business' objectives for the financial year ahead.

To inform their considerations, the Committee meets with the Chief Executive Officer (CEO); the relevant Group directors and external remuneration advisors.

The Committee also determines the remuneration policy and packages for executive directors and other employees in senior management.

The Committee's full terms of reference can be found on our corporate website at www.metrofile.com.

Remuneration report continued

Part 1: Background statement 1

This background statement summarises an overview of the remuneration outcomes for 2024, the manner in which the Committee approaches remuneration governance and key policy considerations for 2025

Statement

- The Remuneration Committee is satisfied that the principles laid down by the Companies Act 2008 and King IV™ have been adhered to during the 2024 financial year unless otherwise stated in this report.

Dear Shareholders,

As an international information management company with a global presence, Metrofile has had to remain agile in the ever-changing digital landscape. Our approach to remuneration is heavily influenced by the business' overall strategy and our understanding of the challenges faced by the business.

Internal challenges which have impacted remuneration have been explained in the Chairman's statement, CEO report and CFO report on pages 7 to 12 of this integrated annual report. A key impact of this is the non-achievement of business objectives for the 2024 financial year, which has been a key consideration in the Committee's assessment of remuneration paid post the end of the 2024 financial year and it will impact the Committee's remuneration proposals for remuneration to be paid for FY2025 and beyond. This includes a re-assessment of the business KPIs for both the STI and LTI to be paid post the FY2025 year-end. External remuneration consultants will be assisting the Committee with this assessment and proposals.

Our remuneration journey and stakeholder engagement

Metrofile is committed to engaging key stakeholders on its remuneration policy, as well as the consistent implementation of its remuneration policy.

Over the years, we have valued the feedback received from our shareholders and other stakeholders. The consistent levels of support for both the remuneration policy and the implementation report is evidence of the Company's continuous engagement with its stakeholders.

Metrofile endeavours to maintain active engagement with its shareholders while continuously improving on its transparency and disclosure.

On an annual basis, Metrofile puts the remuneration policy (part 2) and implementation report (part 3) to two separate, non-binding votes at the AGM. The table below details the results of these votes over the past 3 years.

Percentage votes in favour	2023	2022	2021
Non-binding advisory vote on remuneration policy	96.55%	99.99%	99.82%
Non-binding advisory vote on remuneration implementation report	100.00%	99.99%	99.55%

This year, the AGM will be held on 21 November 2024.

In the event that 25% or more of the shareholders vote against either the remuneration policy and/or implementation report, Metrofile will include a note in its SENS announcement of the AGM results, inviting dissenting shareholders to engage with it on their reasons for voting against either or both of these resolutions.

The precise method of shareholder engagement will be decided by the Remuneration Committee. The results of the shareholder engagement and the Remuneration Committee's response to shareholder concerns will thereafter be published in the remuneration report at the end of the following financial year.

Based on the shareholder feedback received with regard to performance conditions and alignment to market practice, Metrofile underwent a process of determining appropriate performance conditions in order to incentivise and motivate executives, whilst creating shareholder value.

Metrofile has also established a malus and clawback policy and incorporated it into its rules. The updated LTI rules, incorporating malus and clawback, were approved at the 2019 AGM, and have been implemented.

The Group's remuneration policy and practices are aligned with its strategy and with market best practice. This Group remuneration policy is subject to a rigorous review each year. Where it is evident that the remuneration policy should be reconsidered to adapt to changing business realities and to maximise shareholder value, or where shareholders have legitimate and reasonable concerns regarding an aspect of the remuneration policy, the Remuneration Committee will consider amending the relevant aspects of the Group's remuneration framework.

Remuneration report continued

Part 1: Background statement continued

Remuneration governance

Key activities in 2024

Company-wide remuneration

- Approved overall remuneration increases in line with available market information and relevant benchmarking.
- Considered remuneration, reward and retention policy with specific focus on employees who meet our diversity, equity and transformation requirements.
- Ensured that STIs continued to meet business objectives and generate shareholder value.
- Reviewed employee benefits.
- Conducted an initial pay gap analysis in respect of potential income and gender pay disparities within the Company.

Executive remuneration

- Reviewed the total guaranteed package (TGP) increases against the market for executive directors, prescribed officers and senior management.
- Reviewed the inclusion of ESG metrics in the incentives for executive directors, prescribed officers and senior management and agreed that these would be included in the 2025 short-term incentive criteria.

Non-executive directors (NEDs)

- Ensured the Company's recommendations for remuneration of non-executive directors are equitable and aligned with the average increase approved for the executive and senior management in the organisation.

Governance and compliance

- Corporate governance on remuneration aspects.
- Ensured that the remuneration policy and implementation report are put to a non-binding advisory vote at the AGM of shareholders.
- Considered current and projected remuneration trends in local and specific markets in the Rest of Africa and the Middle East.

Performance relating to the reporting period performance cycle

- Reviewed and approved the 2024 STI outcomes, paid post the 2024 financial year-end.
- Reviewed and approved the 2024 LTI outcomes, awarded post the 2024 financial year-end.

Performance relating to the forthcoming performance cycle

- Agreed to utilise the services of external remuneration advisors to realign the 2025 STI targets for executive directors, prescribed officers and senior management.

Committee evaluation

Committee evaluations are performed every second year. Refer to page 48 for more detail.

Closing remarks

It has been a challenging year for businesses in South Africa, and Metrofile is no exception. However, I would like to thank the Committee members for remaining focused during 2024. I look forward to working with members in 2025.

Lindiwe Mthimunye
Remuneration Committee Chairman
October 2024

Key focus areas for 2025

- Align to the changes approved to the Companies Act in July 2024, to provide transparency on our internal pay ratios, the income gap and trends with respect to the gender pay gap
- Following the advice of external remuneration advisors, to reset STI and LTI KPIs for executive directors, prescribed officers and senior management
- Ensure the inclusion of ESG objectives in the STI targets
- Review fees payable to non-executive directors aligned to the market
- Review the remuneration policy to ensure that it remains relevant and up to date

Remuneration report continued

Part 2: Our remuneration policy 2

The remuneration policy has been designed so that it will continue to attract, engage, retain and motivate the right diverse talent required to deliver sustainable profit growth in line with the Group strategy.

Metrofile's remuneration policy is designed to support a high performance environment and comprises a basic annual total cost package and performance related variable pay linked to short- and long-term targets (refer to the adjacent table).

Overview of our remuneration offering

The remuneration offering consists of total guaranteed pay (TGP) and variable pay in the form of a short-term incentive (STI) and long-term incentive (LTI). The composition of the pay mix depends on the employee's job level, with the senior-level employees having a greater variable component to their remuneration. There were no material changes to the remuneration policy for 2024.

Fixed remuneration	Basic, annual cost package including benefits	This fixed element of remuneration is referred to as the total guaranteed pay and includes salary, travel allowance, retirement funding, risk cover and voluntary medical scheme contributions.
Variable remuneration	STIs	An annual STI is paid to support the achievement of the Company's short- and medium-term goals, with payment levels based on both Company and individual performance.
Variable remuneration	LTIs	LTIs comprise a CSP which comprises performance awards which can be settled in shares or in cash. Vesting is subject to Company performance vesting conditions.

In the remainder of this part of the report, we provide a detailed explanation of the policy as it applies to the executive directors and prescribed officers of the Company.

Our approach to ensuring market alignment of pay

The Remuneration Committee seeks to ensure that executive directors and senior managers are rewarded for their contribution to the Group's operating and financial performance at levels which take into account country benchmarks.

There are no direct industry comparisons to be made, therefore we compare our remuneration to that of the general market. Performance-linked variable pay and share-based incentives are important elements of aligning executive incentives with shareholder interests.
The remuneration policy enables executive directors and senior management to receive remuneration that is appropriate to their scale of responsibility and required performances. It is designed to attract, motivate and retain individuals of the necessary calibre.

Our approach to fixed pay

Total guaranteed pay (TGP)	
Purpose and link to strategy	The performance related remuneration is designed to encourage and reward outperformance for lower-level employees.
Operation	This fixed element of remuneration is referred to as the total guaranteed pay and includes salary, travel allowance, retirement funding, risk cover and voluntary medical scheme contribution.

Remuneration report continued

Part 2: Our remuneration policy continued

Our approach to variable pay

Short-term and long-term incentives

STI

Purpose and link to strategy

The performance related remuneration is designed to encourage and reward superior performance and align the interests of the executive directors and senior executives as closely as possible to the interests of the shareholders.

Participation

Permanent employees in Paterson D, E and F bands.

Operation

An annual STI is paid to support the achievement of the Company's short- and medium-term goals, with payment levels based on both Company and individual performance.

On-target percentage

The on-target percentages, in line with seniority, and are set out as follows:

Grade	Allocation percentages
CEO	100%
CFO	60%

Company performance measures

The Company performance metrics determine the Company performance score.
For executive directors a 70%/30% split in favour of business performance measures.
Targets for 2025 are being reviewed by REMCOM, targets for 2024 are reflected below.

Measure	Weighting	Threshold	Target	Stretch
Financial objectives				
EBITDA growth	30%	CPI + GDP	CPI + GDP + 4%	CPI + GDP + 6%
Group HEPS	30%	CPI + GDP	CPI + GDP + 4%	CPI + GDP + 7%
Cash conversion ratio (cash generated from operations/ EBITDA)	10%	85%	90%	110%
Personal objectives				
Transformation	10%	85%	100%	
Individual KPIs	20%	85%	100%	110%

Settlement and vesting period

The annual incentive is settled in cash at the end of a one-year performance period.

LTI

Purpose and link to strategy

Long-term incentives, although performance based, are inherently retentive, but there are no schemes specifically in place for the sole purpose of the retention of key employees.

Participation

Permanent employees in Paterson E and F bands

Operation

Participants are awarded a conditional right to Metrofile shares, subject to achievement of forward-looking performance and employment conditions.

On-target percentage

The on-target percentages are based on basic annual total cost to company and are in line with seniority, and are set out as follows:

Grade	Allocation percentages
CEO	80%
CFO	60%

Company performance measures

Long-term incentives, although performance based, are inherently retentive, but there are no schemes specifically in place for the sole purpose of the retention of key employees.

The following measures applied to 2024. Targets for 2025 are being reviewed by REMCOM.

Measure	Weighting	Threshold	Target	Stretch
Financial objectives				
Return on capital employed ("ROCE") (NOPAT/(average equity plus long-term debt))	60%	long-bond rate +4%	long-bond rate +6%	long-bond rate +9%
HEPS growth	25%	CPI + GDP	CPI + GDP + 4%	CPI + GDP + 7%
Cash conversion ratio (cash generated from operations/EBITDA)	10%	85%	90%	110%
Digital services revenue growth	7.5%	average CAGR CPI + 5%	average CAGR CPI + 10%	average CAGR CPI + 13%
Secure storage revenue growth	7.5%	average CAGR CPI + 2%	average CAGR CPI + 4%	average CAGR CPI + 6%

Settlement and vesting period

The awards are settled in shares at the end of a four-year performance period. The vesting of performance awards is subject to an employment condition and the fulfilment of the performance conditions.

Remuneration report continued

Part 2: Our remuneration policy continued

Our approach to variable pay continued

Discretionary bonus and additional sales incentive

	Discretionary bonus	Additional sales incentive
Purpose and link to strategy	The performance related remuneration is designed to encourage and reward outperformance for lower-level employees.	This performance related remuneration is designed to encourage the achievement of revenue and EBITDA targets on a quarterly basis.
Participation	Applies to permanent employees in Paterson A and B bands	Permanent MD's of Group companies
Operation	Based on the concept of a 'not guaranteed' 13th cheque as the bonus is calculated on role specific KPIs	The incentive rewards the achievement of revenue and EBITDA targets and is calculated on 100% achievement of revenue and EBITDA targets at H1 and H2. Achievement must be at 100% to earn a cash incentive – underperformance in H1 is banked and performance is assessed at the end of H2.
Settlement and vesting period	The annual incentive is settled in cash at the end of a one-year performance period.	The annual incentive is settled in cash at the end of a one-year performance period.

Remuneration report continued

Part 2: Our remuneration policy continued

Our approach to pay and wealth at risk

A number of measures are in place, allowing the Committee to lapse, reduce unvested or recoup any past incentive payments. In addition, shareholding requirements are in place to reinforce the importance of sustainable long-term performance and alignment.

Forfeiture and lapse of incentives

In addition to subjecting all incentives to performance conditions, incentives remain at risk if employment is terminated before the payment or vesting date.

Annual incentives are subject to good and bad leaver termination of employment provisions.

Reduction or recoupment of incentives

Malus and clawback

Metrofile implemented malus and clawback to ensure that the Company is able to protect itself and its shareholders in the event of a corporate governance failure.

The purpose behind the implementation of malus and clawback is to provide the Company with the discretion to either:

- Reduce or forfeit unvested conditional awards offered under the CSP (malus); or
- Recover cash payments made in relation to the new CSP for a number of years after the payment thereof (clawback) in the event of a trigger event.

Trigger events include the following:

- Material misstatement of financial results of the Company
- Gross misconduct, incompetence, fraud, dishonesty
- Gross negligence or a material breach of obligations to the Company
- Harm to the Company's reputation.

The Board retains the absolute discretion to invoke malus and clawback in part or in full, on a collective or individual basis, where a trigger event has occurred.

The CSP rules contain the provisions applicable to malus as well as the trigger events. While share awards are unvested, they will be subject to malus. Clawback on the other hand is post vesting.

Ensuring fair pay for all employees

The Committee aims to ensure that the approach to fair pay is implemented in practice throughout the Group, and monitors year-on-year movement in salary for executive directors compared with that of the average employee.

As part of its review of executive remuneration arrangements, the Committee understands that pay policies across the wider business should be an important consideration. This includes considering the structure of remuneration offerings at each level of the business to ensure there is a strong rationale for how packages evolve across the different levels of the organisation.

Our fair pay principles govern our approach to reward and remunerate across the organisation and we have implemented a number of initiatives to support these principles.

Fair pay principle

To ensure equal pay for equal work, the organisation follows the Paterson method of job grading.

Market competitive salaries

We are committed to ensuring that salaries reflect people's skills and roles and are in line with external companies	We perform annual salary reviews and benchmarking to ensure that our salaries are market-aligned. The pay of our people is reflective of their skills, role and function, and the external market.

Good standard of living for all

We ensure that our lowest paid employees live dignified lives and that they are able to contribute meaningfully to the economy	We ensure that our employees have access to basic benefits such as a retirement fund and/or medical aid. On-site wellness services are provided to staff on an on-going basis.
Variable annual increase percentages	For the last 2 years annual increase percentages for our A and B band staff have been higher than for our C, D, E and F bands.
CPI consideration	Increases are guided by CPI in the geographies within which we operate.
Wage gap consideration	An initial internal analysis has been undertaken to understand our wage gap and to identify any concerns with regard to a possible gender pay gap.

Remuneration report continued

Part 2: Our remuneration policy continued

Additional considerations

Ex gratia or lump sum payments

There are currently no agreements in place that provide for ex gratia or other lump sum payments to executives on severance or retirement. Furthermore, there are no ex-gratia payments made in the event of a merger or takeover or for any special projects undertaken.

Restraint of trade

The executive directors are subject to a one year restraint of trade in the event that they terminate their employment with Metrofile.

Non-executive directors (NEDs)

Non-executive directors receive annual fees for their roles as directors and as Board Committee members. The Board does not regard separate attendance fees as appropriate or necessary unless the time allocated to meetings expected of directors is materially more than normal in a particular year.

The Committee did not consider it necessary to split directors' fees into a base fee and attendance fee, because of the satisfactory attendance record of directors at Board meetings and time spent outside these on request from the Chairman or Company Secretary. The terms and conditions of the appointment of non-executive directors are available on request from the Company Secretary.

Non-executive directors are not eligible to participate in the short-term incentive plan or any of the long-term incentive plans.

Non-executive directors have letters of appointment with Metrofile Holdings Limited. For the services of Mary Bomela (deputy chairman) and Lebohang Storom (non-executive director), a service contract is in place with MIC for payment of related service fees.

The proposed NED fees (VAT exclusive) will be tabled for approval by the shareholders at the 2024 AGM and are reflected on page 21 of the notice of the annual general meeting.

Non-binding vote on the remuneration policy

The remuneration policy, as described in part 2 of this remuneration report, excluding those arrangements specifically applicable to the Group's listing and that do not form part of the ongoing remuneration policy, as noted above, is subject to a non-binding advisory vote by shareholders at the AGM. If more than 25% (of those shareholders voting) vote against the policy, the Remuneration Committee will consult with dissenting shareholders to determine the reasons for their objections. Any such concerns will be considered by the Remuneration Committee when considering changes for the subsequent year. A summary of the concerns and the Remuneration Committee response will be included in the following year's remuneration report.

Remuneration report continued

Part 3: Implementation report 3

The implementation report relates to the outcomes of executive remuneration for FY24 and aligns with the principles as contained in the prior period's approved remuneration policy.

TGP adjustments for FY24

Metrofile is committed to addressing the internal wage gap. In this regard, when determining average executive remuneration increase levels, we have taken into account the average increase levels for middle management and general employees.

During the 2024 financial year, employees below executive level received an aggregate increase of 7.5%, which takes into account performance, positioning within the pay scales, and market benchmarks. Executive directors and senior management received an aggregate 6% increase during July 2023, the start of the 2024 financial year.

Performance outcomes for FY24

We have provided a summary of the LTI and STI outcomes for the CEO and CFO respectively. Note that the STI outcomes below were paid during the 2024 financial year and relate to performance criteria met for the 2023 financial year. The outcomes based on the 2024 financial results were paid post the publication of the 2024 financial results and will form part of the 2025 remuneration report.

STI outcomes

CEO and CFO

	Short-term incentives (STI)			
	Performance criteria			
	Metric (weighting)	Measurement	CEO outcome	CFO outcome
Business performance measures (70%)	EBITDA growth (23%)	Threshold – CPI + GDP Target – CPI + GDP + 4% Stretch – CPI + GDP + 6%	46.00%	46.00%
	Group HEPS (23%)	Threshold – CPI + GDP Target – CPI + GDP + 4% Stretch – CPI + GDP + 7%		
	Cash conversion ratio (24%) (cash generated from operations/ EBITDA)	Threshold – 85% Target – 90% Stretch – 95%		
Transformation and personal performance measures (30%)	Transformation (10%)	Threshold – 85% Target – 100% Stretch – 110%	37.50%	37.50%
	KPIs linked to role and strategy (20%)	Threshold – 85% Target – 100% Stretch – 110%		
			Total 83.50%	Total 83.50%

Remuneration report continued

Part 3: Implementation report continued

LTI outcomes

No LTIs vested in FY2024.

CEO AND CFO

Long-term incentives (conditional share plan (CSP))	
LTI criteria	
Metric (weighting)	**Measurement**
Return on capital employed ("ROCE") (60%) (NOPAT/(average equity plus long-term debt))	Threshold – Long-bond rate + 4% Target – Long-bond rate + 6% Stretch – Long-bond rate + 9%
HEPS growth (25%)	Threshold – CPI + GDP Target – CPI + GDP + 4% Stretch – CPI + GDP + 7%
Digital services revenue growth (7.5%)	Threshold – Average CAGR CPI + 5% Target – Average CAGR CPI + 10% Stretch – Average CAGR CPI + 13%
Secure storage revenue growth (7.5%)	Threshold – Average CAGR CPI + 2% Target – Average CAGR CPI + 4% Stretch – Average CAGE CPI + 6%
Vesting period	4 years

Remuneration report continued

Part 3: Implementation report continued

Total remuneration for executive directors

Single figure tables

The tables below provide an analysis of remuneration received in 2024 (compared to 2023), presented as the total remuneration of executive directors. As part of Metrofile's ongoing governance journey, the tables aligned with the King IV™ recommended reporting approach.

Group CEO: Pfungwa Serima**	Structure of package: potential earnings			Actual remuneration earned	
	Percentage of GP	Rand value of GP 2023	Rand value of GP 2024	2023	2024
Guaranteed package (GP) (including benefits such as retirement fund contribution, fuel benefit and cellphone allowance)	100%	R6 450 948	R6 838 005	R6 450 948	R7 062 145
STI	100%*	R6 450 948	R6 838 005	R3 803 625	R5 418 796**
Qualitative STI	25%	R1 612 737	R1 709 501		
LTI***	80%	R5 160 758	R5 470 404		
Total value of remuneration		**R19 675 391**	**R20 855 915**	**R10 254 573**	**R12 480 941**

* *Note 1: Potential STI percentage includes the potential up to the stretch target.*
** *Note 2: 2024 STI earned and paid based on achievement of the performance outcomes linked to the 2023 financial results.*
*** *Note 3: No LTIs vested for reporting period. This table excludes the granting of LTIs for each respective year as these will only reach potential earnings on vesting date. Refer to the share scheme note on page 73.*

Group CFO: Shivan Mansingh	Structure of package: potential earnings			Actual remuneration earned	
	Percentage of GP	Rand value of GP 2023	Rand value of GP 2024	2023	2024
Guaranteed package (GP) (including benefits such as retirement fund contribution, fuel benefit and cellphone allowance)	100%	R4 100 000	R4 346 000	R4 100 000	R4 466 456
STI	75%*	R3 690 000	R3 259 500	R1 521 140	R2 070 500**
LTI ***	60%	R2 460 000	R2 607 600		
Total value of remuneration		**R10 250 000**	**R10 213 100**	**R5 621 140**	**R6 536 956**

* *Note 1: Potential STI percentage includes the potential up to the stretch target.*
** *Note 2: 2024 STI earned and paid based on achievement of the performance outcomes linked to the 2023 financial results.*
*** *Note 3: No other LTIs vested for reporting period. This table excludes the granting of LTIs for each respective year as these will only reach potential earnings on vesting date. Refer to the share scheme note on page 73.*

Remuneration report continued

Table of unvested awards

The table below illustrates on an individual executive level the value of LTIs allocated, settled and forfeited and the value of the shares not yet vested.

Conditional share plan (CSP) scheme allocation summary

2024	No of rights at beginning of period	Rights granted	Rights exercised	Rights cancelled	No of rights at end of period
PG Serima	6 850 788	1 875 223	–	–	8 726 011
S Mansingh	3 077 711	889 966	–	–	3 967 677
	9 928 499	**2 765 189**	**–**	**–**	**12 693 688**

2023	No of rights at beginning of period	Rights granted	Rights exercised	Rights cancelled	No of rights at end of period
PG Serima	5 164 266	1 686 522	–	–	6 850 788
S Mansingh	2 273 789	803 922	–	–	3 077 711
	7 438 055	2 490 444	–	–	9 928 499

Refer to note 21 on page 41 of the AFS available on our website for further disclosure on the CSP.

Non-binding advisory vote on the implementation report

The implementation report, as disclosed in part 3 of the remuneration report is subject to a non-binding advisory vote by shareholders at the AGM. If more than 25% (of those shareholders voting) vote against the implementation report, the Remuneration Committee will consult with dissenting shareholders to determine the reasons for their objections. Any such concerns will be considered by the Remuneration Committee when considering changes for the subsequent year. A summary of the concerns and the Remuneration Committee's response will be included in the following year's remuneration report.

Non-executive directors' fees

The NED fees paid during 2024 increased by 6% compared to 2023. The non-executive directors' fees (VAT exclusive) paid during the 2024 financial year are indicated below:

Non-executive directors' fees paid R	30 June 2024	30 June 2023
Chairman of the Board	1 000 116	943 506
Deputy chairman	*	*
Lead independent non-executive director	558 204	526 608
Non-executive directors	407 024	383 985
Chairman of the Audit, Governance and Risk Committee	430 283	405 927
Chairman of the Nominations Committee	209 327	197 478
Chairman of the Remuneration Committee	209 327	197 478
Chairman of the Social, Ethics and Transformation Committee	*	*
Chairman of the Strategy and Investment Committee	*	*
Audit, Governance and Risk Committee member	162 810	153 594
Nominations Committee member	98 849	93 254
Remuneration Committee member	98 849	93 254
Social, Ethics and Transformation Committee member	98 849	93 254
Strategy and Investment Committee member	130 829	123 424
Mineworkers Investment Company*	2 083 959	1 965 999

* *For the services of Mary Bomela (deputy chairman) and Lebohang Storom, a service contract is in place with MIC for payment of related service fees.*

Statements of profits or loss

For the year ended 30 June 2024

For the full set of annual financial statements, please visit our website *www.metrofile.com*

	Consolidated		Company	
R'000	**2024**	**2023**	**2024**	**2023**
Revenue	**1 140 546**	1 134 380	**–**	–
Materials and consumables	(128 549)	(127 594)	–	–
Staff costs	(413 455)	(379 074)	–	–
Other operating expenses	(336 712)	(299 022)	(1 942)	(1 467)
Other operating income	25 507	15 992	–	–
Operating profit/(loss) before interest, taxation, depreciation and amortisation (EBITDA)	**287 337**	344 682	**(1 942)**	(1 467)
Depreciation on property, plant and equipment	(37 603)	(38 128)	–	–
Depreciation on right-of-use asset	(36 162)	(38 757)	–	–
Amortisation	(13 802)	(13 177)	–	–
Operating profit/(loss) before items below	**199 770**	254 620	**(1 942)**	(1 467)
Retrenchment and closure costs	(19 914)	–	–	–
Impairment of investment in subsidiary	–	–	(38 825)	–
Reversal of loan impairment	–	–	56 913	–
Impairment of goodwill	(53 588)	–	–	–
Operating profit/(loss)	**126 268**	254 620	**16 146**	(1 467)
Net finance costs	**(67 533)**	(57 619)	**–**	–
Finance income	688	5 777	–	–
Finance costs	(68 221)	(63 396)	–	–
Profit/(loss) before taxation	**58 735**	197 001	**16 146**	(1 467)
Taxation	(36 119)	(57 912)	–	–
Profit/(loss) for the year	**22 616**	139 089	**16 146**	(1 467)
Attributable to:				
Owners of the parent	16 615	137 914	16 146	(1 467)
Non-controlling interests	6 001	1 175	–	–
Profit/(loss) for the year	**22 616**	139 089	**16 146**	(1 467)
Profit/(loss) attributable to owners of the parent:				
Basic earnings per share (cents)	3.9	32.1	–	–
Diluted earnings per share (cents)	3.8	30.9	–	–

Statements of other comprehensive income

For the year ended 30 June 2024

For the full set of annual financial statements, please visit our website *www.metrofile.com*

	Consolidated		Company	
R'000	**2024**	**2023**	**2024**	**2023**
Profit/(loss) for the year	**22 616**	139 089	**16 146**	(1 467)
Other comprehensive income for the year	–	–	–	–
Currency movement on translation of foreign subsidiaries	(4 141)	(1 048)	–	–
Total comprehensive income/(loss) for the year	**18 475**	138 041	**16 146**	(1 467)
Attributable to:				
Owners of the parent	12 688	134 607	16 146	(1 467)
Non-controlling interests	5 787	3 434	–	–

Statements of financial position

As at 30 June 2024

For the full set of annual financial statements, please visit our website *www.metrofile.com*

	Consolidated		Company	
R'000	**2024**	**2023**	**2024**	**2023**
ASSETS				
Non-current assets				
Property, plant and equipment	611 966	606 524	–	–
Right-of-use assets	104 413	111 818	–	–
Intangible assets	60 854	69 794	–	–
Goodwill	307 107	373 542	–	–
Investment in unlisted subsidiaries	–	–	225 193	264 018
Long-term vendor consideration	–	3 500	–	–
Amounts owing by subsidiaries (non-interest-bearing)	–	–	–	13 552
Deferred taxation assets	16 295	17 080	–	–
Total non-current assets	**1 100 635**	1 182 258	**225 193**	277 570
Current assets				
Inventories	14 418	18 129	–	–
Trade receivables	231 452	243 490	–	–
Other receivables	72 713	65 834	312	257
Taxation receivable	12 736	6 999	–	–
Cash and cash equivalents	62 169	58 632	8	–
	393 488	393 084	320	257
Assets classified as held for sale	15 000	–	–	–
Total current assets	**408 488**	393 084	**320**	257
Total assets	**1 509 123**	1 575 342	**225 513**	277 827

	Consolidated		Company	
R'000	**2024**	**2023**	**2024**	**2023**
EQUITY AND LIABILITIES				
Equity				
Ordinary share capital and share premium	535 681	540 072	875 780	875 780
Accumulated (loss)/profit	(21 948)	23 683	(681 029)	(627 783)
Other reserves	2 372	(1 196)	–	–
Equity attributable to owners of the parent	516 105	562 559	194 751	247 997
Non-controlling interests	6 133	6 069	–	–
Total equity	**522 238**	568 628	**194 751**	247 997
Non-current liabilities				
Interest-bearing liabilities	599 525	–	–	–
Lease liabilities	90 251	101 902	–	–
Deferred taxation liabilities	48 803	49 313	–	–
Total non-current liabilities	**738 579**	151 215	**–**	–
Current liabilities				
Trade and other payables	153 983	120 193	2 643	2 003
Provisions	22 874	19 193	–	–
Deferred revenue	19 786	22 197	–	–
Taxation payable	12 473	13 273	–	–
Interest-bearing liabilities	–	491 313	–	–
Amounts owing to subsidiaries (non-interest-bearing)	–	–	28 119	27 790
Lease liabilities	39 180	34 367	–	–
Acquisition related liabilities	–	91 924	–	–
Bank overdraft	10	63 039	–	37
Total current liabilities	**248 306**	855 499	**30 762**	29 830
Total equity and liabilities	**1 509 123**	1 575 342	**225 513**	277 827

Statements of changes in equity

For the year ended 30 June 2024

For the full set of annual financial statements, please visit our website *www.metrofile.com*

R'000	Share capital	Share premium	Accumu-lated profit/ (loss)	Other reserves	Attributable to owners of the parent	Non-controlling interests	Total equity
CONSOLIDATED							
Balance as at 30 June 2022	2 675	571 158	(14 007)	(235)	559 591	18 285	577 876
IFRS 2 expense	–	–	–	2 346	2 346	–	2 346
Dividends declared	–	–	(77 477)	–	(77 477)	(5 540)	(83 017)
Transactions with non-controlling interests	–	–	(22 747)	–	(22 747)	(10 110)	(32 857)
Share buy-back	–	(33 761)	–	–	(33 761)	–	(33 761)
Total comprehensive income for the year ended 30 June 2023	–	–	137 914	(3 307)	134 607	3 434	138 041
Balance as at 30 June 2023	**2 675**	**537 397**	**23 683**	**(1 196)**	**562 559**	**6 069**	**568 628**
IFRS 2 expense	–	–	–	7 495	7 495	–	7 495
Dividends declared	–	–	(67 623)	–	(67 623)	(4 856)	(72 479)
Subsequent measurement of acquisition related liability	–	–	4 510	–	4 510	–	4 510
Transactions with non-controlling interests	–	–	867	–	867	(867)	–
Share buy-back	–	(4 391)	–	–	(4 391)	–	(4 391)
Total comprehensive income for the year ended 30 June 2024	–	–	16 615	(3 927)	12 688	5 787	18 475
Balance as at 30 June 2024	**2 675**	**533 006**	**(21 948)**	**2 372**	**516 105**	**6 133**	**522 238**
COMPANY							
Balance as at 30 June 2022	2 675	873 105	(548 250)	–	327 530		327 530
Dividends declared	–	–	(78 066)	–	(78 066)		(78 066)
Total comprehensive income for the year ended 30 June 2023	–	–	(1 467)	–	(1 467)		(1 467)
Balance as at 30 June 2023	**2 675**	**873 105**	**(627 783)**	**–**	**247 997**		**247 997**
Dividends declared	–	–	(69 392)	–	(69 392)		(69 392)
Total comprehensive income for the year ended 30 June 2024	–	–	16 146	–	16 146		16 146
Balance as at 30 June 2024	**2 675**	**873 105**	**(681 029)**	**–**	**194 751**		**194 751**

Statements of cash flows

For the year ended 30 June 2024

For the full set of annual financial statements, please visit our website www.metrofile.com

R'000	Consolidated 2024	Consolidated 2023	Company 2024	Company 2023
Cash flows from operating activities				
Cash generated from/(utilised by) operations before net working capital changes	266 922	344 430	(1 942)	(1 467)
Decrease/(increase) in net working capital	42 065	(68 520)	93	(107)
Cash generated from/(utilised by) operations	308 987	275 910	(1 849)	(1 574)
Net finance costs	(67 920)	(57 569)	–	–
Finance costs paid	(68 608)	(63 346)	–	–
Finance income received	688	5 777	–	–
Normal taxation paid	(41 692)	(56 601)	–	–
Net cash inflow/(outflow) from operating activities	**199 375**	161 740	**(1 849)**	(1 574)
Cash flows from investing activities				
Capital expenditure: expansion	(48 504)	(33 819)	–	–
Capital expenditure: replacement	(4 477)	(13 223)	–	–
Long-term vendor cash received	3 500	–	–	–
Proceeds from disposal of property, plant and equipment	1 986	511	–	–
Proceeds from loans to subsidiaries	–	–	13 552	52 888
Net cash (outflow)/inflow from investing activities	**(47 495)**	(46 531)	**13 552**	52 888

R'000	Consolidated 2024	Consolidated 2023	Company 2024	Company 2023
Cash flows from financing activities				
Advances of loans from subsidiaries	–	–	57 242	25 890
Repayment of interest-bearing liabilities	–	(40 041)	–	–
Interest-bearing liabilities raised	108 584	50 000	–	–
Payment of lease liabilities	(36 037)	(33 677)	–	–
Purchase of treasury shares	(4 391)	(33 761)	–	–
Settlement of aquisition related liabilities	(79 719)	–	–	–
Acquisition of non-controlling interest	–	(15 286)	–	–
Dividends paid to non-controlling interest	(4 856)	(5 540)	–	–
Dividends paid	(66 135)	(77 114)	(68 900)	(77 510)
Net cash outflow from financing activities	**(82 554)**	(155 419)	**(11 658)**	(51 620)
Net increase/(decrease) in cash and cash equivalents	69 326	(40 210)	45	(306)
(Overdraft)/cash and cash equivalents at the beginning of the year	(4 407)	34 936	(37)	269
Effects of exchange rate movement on cash balances	(2 760)	867	–	–
Cash and cash equivalents/(overdraft) at the end of the year	**62 159**	(4 407)	**8**	(37)
Represented by:	62 159	(4 407)	8	(37)
Cash and cash equivalents	62 169	58 632	8	–
Bank overdraft	(10)	(63 039)	–	(37)

Analysis of shareholding

	2024				2023			
	Number of shareholders	%	Number of shares	%	Number of shareholders	%	Number of shares	%
Shareholder spread								
1 - 10 000	4 248	88.91	3 724 143	0.86	4 714	87.43	3 892 504	0.90
10 001 - 50 000	346	7.24	7 618 294	1.76	448	8.31	9 380 848	2.16
50 001 - 100 000	61	1.28	4 513 743	1.04	81	1.50	5 357 295	1.24
100 001 - 250 000	51	1.07	7 837 075	1.81	69	1.28	10 268 839	2.37
250 001 shares and over	72	1.51	410 006 703	94.54	80	1.48	404 800 472	93.34
Total	**4 778**	**100.00**	**433 699 958**	**100.00**	**5 392**	**100.00**	**433 699 958**	**100.00**
Distribution of shareholders								
Banks/brokers	53	1.11	39 033 205	9.00	58	1.08	31 125 042	7.18
Close corporations	31	0.65	360 674	0.08	34	0.63	493 400	0.11
Endowment funds	11	0.23	874 645	0.20	12	0.22	890 073	0.21
Individuals	3 995	83.61	27 537 936	6.35	4 285	79.47	31 103 459	7.17
Insurance companies	10	0.21	4 115 364	0.95	9	0.17	4 512 274	1.04
Medical schemes	1	0.02	800 000	0.18	1	0.02	1 300 000	0.30
Mutual funds	21	0.44	98 727 169	22.76	21	0.39	99 823 019	23.02
Other corporations	22	0.46	65 297	0.02	31	0.57	93 053	0.02
Private companies	76	1.59	62 427 169	14.39	84	1.56	192 474 481	44.38
Public companies	9	0.19	39 660	0.01	10	0.19	34 858 272	8.04
Retirement funds	409	8.56	11 258 799	2.60	707	13.11	14 662 610	3.38
Strategic investor	5	0.10	165 480 445	38.16	–	–	–	–
Share trust	1	0.02	688	0.00	–	–	–	–
Treasury stock	1	0.02	11 524 739	2.66	1	0.02	9 755 019	2.25
Trusts	133	2.78	11 454 168	2.64	139	2.58	12 609 256	2.91
Total	**4 778**		**433 699 958**	**100.00**	**5 392**	**100.00**	**433 699 958**	**100.00**
Public/non-public shareholders								
Non-public shareholders	11	0.23	234 501 219	54.07	11	0.20	231 731 499	53.43
Directors, management and associates of the Company	5	0.10	57 496 035	13.26	5	0.09	56 496 035	13.03
Treasury stock	1	0.02	11 524 739	2.66	1	0.02	9 755 019	2.25
Strategic holdings	5	0.10	165 480 445	38.16	5	0.09	165 480 445	38.16
Public shareholders	4 767	99.77	199 198 739	45.93	5 381	99.80	201 968 459	46.57
Total	**4 778**	**100.00**	**433 699 958**	**100.00**	**5 392**	**100.00**	**433 699 958**	**100.00**

Analysis of shareholding continued

	Number of shares	%
Beneficial shareholders holding 2% or more (top 10)		
As at 30 June 2024		
Mineworkers Investment Company	165 480 445	38.16
NinetyOne Asset Management	40 870 000	9.42
Afropulse (Pty) Limited	36 450 000	8.40
Sabvest Investments (Pty) Limited	21 000 000	4.84
ClucasGray Investment Management	15 614 945	3.60
M&G Investments	15 007 986	3.46
Metrofile (Pty) Ltd	11 524 739	2.66
Momentum Metropolitan Holdings	10 971 816	2.53
Kuwait Investment Authority	9 986 315	2.30
Alexander Forbes Investments Retirement Funds	9 317 192	2.15
Total	**336 223 438**	**77.52**
Beneficial shareholders holding 2% or more (top 10)		
As at 30 June 2023		
Mineworkers Investment Company	165 480 445	38.16
Sabvest Investments (Pty) Limited	56 000 000	12.91
NinetyOne Asset Management	36 211 920	8.35
ClucasGray Investment Management	15 013 949	3.46
M&G Investments	15 007 986	3.46
Momentum Metropolitan Holdings	12 541 447	2.89
Metrofile (Pty) Ltd	10 044 754	2.32
Kuwait Investment Authority	9 986 315	2.30
Alexander Forbes Investments Retirement Funds	9 317 192	2.15
Peresec Prime Brokers	7 492 185	1.73
Total	**337 096 193**	**77.73**

Subsequent to the approval of the annual financial statements and before the publication of this integrated annual report, the interests of the directors and prescribed officers in the shares of the Company increased due to on-market purchases:

Directors interest in shares	Beneficial		Non-beneficial		Percentage %
	Direct	Indirect	Direct	Indirect	
MS Bomela, DL Storom†	–	–	–	165 480 445	38.16
P Langeni#	–	36 450 000	–	–	8.40
S Mansingh	429 833	–	–	–	0.10
CS Seabrooke*	–	–	–	21 000 000	4.84
STM Seopa	1 270 210	–	–	–	0.29
PG Serima@	46 035	–	–	–	0.01
Total	**1 746 078**	**36 450 000**	**–**	**186 480 445**	**51.80**

† *Mary Bomela and Lebohang Storom are CEO and Group Financial Manager of MIC respectively, which owns 165 480 445 shares being an economic interest of 38.16% (39.20% net of treasury shares). As MIC's representatives on Metrofile's Board, they have no economic interest in MIC personally.*

Phumzile Langeni is the CEO and shareholder of Afropulse Group (Pty) Limited, which owns 36 450 000 shares in Metrofile Holdings Limited, being an economic interest of 8.40% (8.63% net of treasury shares), of which she has a 50% beneficial interest. Afropulse Group (Pty) Limited ("Afropulse") is in receipt of a call right from Sabvest Investments (Pty) Limited ("Sabvest Investments") and acceptance of a put obligation imposed on it by Sabvest Investments on 21 000 000 ordinary shares in Metrofile Holdings Limited. The call right may be exercised at any time by Afropulse on 10 business days' notice to Sabvest Investments until 30 November 2025 when it will expire. The put obligation may be actioned by Sabvest Investments giving 30 business days' notice of intention to exercise prior to either 30 November 2025 or 31 May 2026 after which it will expire.

* *The Seabrooke Family Trust has an indirect interest of 40.50% in this shareholding through Sabvest Capital Limited, i.e. an effective economic interest of 1.96% (2.01% net of treasury shares). Sabvest Investments (Pty) Limited ("Sabvest Investments") is in receipt of a put right from Afropulse Group Proprietary Limited ("Afropulse") and acceptance of a call obligation imposed by Afropulse on 21 000 000 ordinary shares in Metrofile Holdings Limited. The put right may be exercised by Sabvest Investments giving 30 business days notice of intention to exercise to Afropulse prior to either 30 November 2025 or 31 May 2026 after which it will expire. The call obligation may be actioned at any time by Afropulse on 10 business days notice to Sabvest Investments until 30 November 2025 when it will expire.*

@ *Pfungwa Serima resigned as Group CEO effective 30 September 2024.*

Share price and volume traded

	2024	2023	2022	2021
Market price				
Close (30 June) (cents per share)	**260**	325	330	316
High (cents per share)	**279**	328	355	376
Low (cents per share)	**241**	266	273	186
Market capitalisation (R)	**1 127 619 891**	1 409 524 864	1 431 209 861	1 370 491 867
Value of shares traded (R)	**176 305 406**	75 069 169	113 595 194	123 926 377
Value of shares traded as % of market capitalisation (%)	**15.64**	5.33	7.94	9.94
Volume of shares traded	**60 994 581**	23 115 386	35 060 675	46 037 234
Volume of shares traded as % of number in issue (%)	**14.07**	5.33	8.08	10.61
Dividend yield (%)	**4.92**	4.43	4.12	3.54
Earnings yield (%)	**11.58**	9.48	9.67	8.45
Shares in issue	**433 699 958**	433 699 958	433 699 958	433 699 958
Shares in issue, net of treasury shares	**422 175 219**	423 655 204	433 699 958	433 699 958
Weighted average number of shares in issue	**422 634 409**	429 228 504	433 699 958	433 699 958
Share buy-back/ (treasury shares cancelled)	**11 524 739**	10 044 754	–	(18 949 158)
Number of shareholders	**4 778**	5 392	5 622	5 222

Shareholder diary

Publication of integrated annual report	24 October 2024
Annual general meeting	21 November 2024
Results of the annual general meeting published on SENS	21 November 2024
Interim results announcement	March 2025
Financial year end	30 June 2025
Annual results announcement	September 2025

Corporate information^

Directors

Phumzile Langeni (50)*#@
BCom (Acc), BCom (Hons), MCom
Independent non-executive Chairman
Twelve years' service (appointed 30 March 2012)
Chairman of Nominations Committee

Mary Sina Bomela (51)‡*
BCom (Hons), CA(SA), MBA
Non-executive director and deputy Chairman
Fourteen years' service (appointed 8 September 2010)
Chairman of Social, Ethics and Transformation Committee
Chairman of Strategy and Investment Committee

Stanley Thabo Moloko Seopa (60)@
BCom (Accounting)
Higher Diploma in Tax Law
Diploma in Finance
Diploma in Management
Group Chief Executive Officer
Three years' service (appointed 30 September 2021 as non-executive director and 1 October 2024 as Group CEO)

Shivan Mansingh (38)#@
BAccSci, HDipAcc, CA(SA), MBA
Group Chief Financial Officer and Managing Director (MRM SA)
Five years' service (appointed 1 April 2019)

Sindiswa Victoria Zilwa (57)#‡
BCompt (Hons), CA(SA), CD(SA)
Advanced Diploma in Financial Planning (UFS)
Advanced Diploma in Taxation (UNISA)
Advanced Diploma in Banking (RAU)
Lead independent non-executive director
Twelve years' service (appointed 17 October 2012)
Chairman of Audit, Governance and Risk Committee

Andile Khumalo (46)#†@
BCom (Accounting), Post Graduate Diploma in Accounting, CA(SA)
Independent non-executive director
Three years' service (appointed 30 September 2021)

Lindiwe Evarista Mthimunye (50)†#
BCom, CA(SA), MCom, HDip Tax Law
Independent non-executive director
Seven years' service (appointed 1 July 2017)
Chairman of Remuneration Committee

Christopher Stefan Seabrooke (71)*‡@
BCom, BAcc, MBA, FCMA
Independent non-executive director
Twenty-one years' service (appointed 28 January 2003)

Dominic Lebohang Storom (36)
BCom (Hons), CA(SA), MCom, MBA
Non-executive director
Three years' service (appointed 26 March 2021)

Leon Rood (47)
BCom, LLB
Five years' service (appointed 1 February 2019)
Independent non-executive alternate director to Christopher Seabrooke

^ As at date of issuing this integrated annual report
† Audit, Governance and Risk Committee member
‡ Nominations Committee member
** Remuneration Committee member*
 # Social, Ethics and Transformation Committee member
@ Strategy and Investment Committee member

Company Secretary and registered office

Elmarie Smuts
First Floor, 28 Fricker Road, Illovo, 2196, Gauteng, South Africa
P O Box 40264, Cleveland, 2022, Gauteng, South Africa
Telephone +27 10 001 6380

Company registration number

1983/012697/06

Date of incorporation

18 November 1983

Transfer secretaries

Computershare Investor Services Proprietary Limited
Rosebank Towers, 15 Biermann Avenue, Rosebank, 2196, Gauteng, South Africa
Private Bag X9000, Saxonwold, 2132, Gauteng, South Africa
Telephone: +27 11 370 5000 or 086 11 00 933

Auditor

BDO South Africa Incorporated
Wanderers Office Park
52 Corlett Drive
Illovo, 2196
Private Bag X60500, Houghton, 2041, South Africa

Banker

The Standard Bank of South Africa Limited

Investment bank and JSE sponsor

The Standard Bank of South Africa Limited
30 Baker Street, Rosebank, 2196, Gauteng, South Africa
P O Box 61344, Marshalltown, 2107, Gauteng, South Africa

Investor relations

Anne Dunn: Anne Dunn Communications
Telephone: +27 82 448 2684
anne@annedunn.co.za

Website

www.metrofile.com

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