

Metrofile Holdings Limited

(Incorporated in the Republic of South Africa)

(Registration number 1983/012697/06)

Share code: MFL

ISIN Code: ZAE000061727

("Metrofile" or "the Company" or "the Group")

ANNUAL FINANCIAL RESULTS FOR THE YEAR ENDED 30 JUNE 2025**SUMMARISED FINANCIALS**

	12 months ended 30 June 2025	12 months ended 30 June 2024
Revenue (R'000)	1 066 132	1 140 546
Operating profit (R'000)*	176 324	199 770
EPS (cents)	5.9	3.9
HEPS (cents)	13.3	16.5
Number of shares in issue ('000)**	422 175	422 175

* Operating profit before retrenchment, settlement and closure costs, impairment of goodwill, and loss on disposal of assets held for sale.

** Net of treasury shares.

RESULTS OVERVIEW

- Revenue from ongoing operations, excluding the exited Tidy Files manufacturing operations, increased by 5% to R1 066 million, driven by continued growth in secure storage and cloud services, partially offset by declines in content services and image processing.
- Operating profit decreased by 12% to R176 million, and EBITDA declined by 4% to R277 million, primarily due to a decline in content services by Metrofile Vysion and continued margin pressure in Kenya and the Middle East.
- Headline earnings per share (HEPS) decreased by 20% to 13.3 cents, and normalised HEPS declined by 19% to 16.2 cents.
- Net debt reduced by 11% to R479 million, reflecting continued strong cash generation.

RESULTS REVIEW

The Group delivered a disappointing overall performance for the full year, notwithstanding the continued recovery of MRM South Africa and strong growth in cloud services. Despite headwinds in the Rest of Africa and the Middle East, strategic initiatives and leadership changes supported operational improvements. Robust cash generation enabled further deleveraging of the balance sheet.

FINANCIAL REVIEW**REVENUE**

Revenue decreased by 7% to R1 066 million, mainly due to the reduction in product sales following the exit of Tidy Files' manufacturing operation. Demand for cloud services remained strong and now contributes 34% (FY2024: 32%) of our digital services revenue.

Secure storage contributed 60% to Group revenue and was up 2% mainly as a result of price increases as well as additional revenue generated from paper services. We have noted an increase in the number of destruction requests from our clients that has placed pressure on storage box volumes. Closing box volumes for the Group as at 30 June 2025 were 11.0 million (30 June 2024: 11.1 million). Gross box volume intake

increased by 6% from new and existing clients and was offset by destructions and withdrawals of 8%. Net box volumes decreased in South Africa by 2% and in the Rest of Africa by 9%, but showed growth in the Middle East of 7%.

Digital services contributed 28% to Group revenue and marginally grew by 1% year-on-year following continued growth in cloud services, with a notable increase in hosting. This growth was offset by a reduction in content services and the digitisation of physical records, particularly in South Africa. 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 57% mainly due to the exit of Tidy Files' manufacturing operation. Business support services decreased by 2% following a reduction in work area recovery services. Products and solutions and business support services each contributed 6% to Group revenue.

OPERATING PROFIT

Operating profit before retrenchment, settlement and closure costs, reduced by 12% to R176 million (FY2024: R200 million). Positive progress has been made in resolving operational challenges from the prior year, particularly in MRM South Africa that has yielded a significant improvement in operating profit for this segment. This was offset by volume decline in workflow sales, inflationary cost pressures as well as a reduction in profit margins in the Middle East and Kenya.

CASH AND DEBT

Net finance costs were 12% higher at R76 million (FY2024: R68 million) following the final payment of the IronTree acquisition at the end of the previous financial year. Net debt reduced by 11% to R479 million (FY2024: R537 million) as a result of continued strong cash generation.

REVIEW OF OPERATIONS

MRM SOUTH AFRICA

Revenue from MRM South Africa's ongoing operations increased by 4% primarily due to the growth in secure storage, product sales and image processing volumes. Following a challenging prior year, the action plans to address these challenges have resulted in improvements in financial performance. An enhanced focus on customer service, as well as the resolution of various operational challenges, has seen a recovery in margin as well as an increase in the sales pipeline.

As a result of the positive progress due to the turnaround initiatives, operating profit increased by 11% to R198 million (FY2024: R178 million) and EBITDA increased by 11% to R251 million (FY2024: R226 million). Cash collections have increased and contributed to the overall group improvement in cash generated from operations following the successful resolution of various longstanding customer queries, enhanced customer engagement and the successful resolution of some operational challenges.

MRM REST OF AFRICA

MRM Rest of Africa consists of operations in Kenya, Botswana and Mozambique. Revenue marginally increased to R105 million (FY2024: R104 million) and operating profit decreased by 73% to R11 million (FY2024: R40 million). The reduction in operating profit from the prior year was mainly due to the inclusion in the prior year of a once-off gain following the positive resolution of a longstanding dispute with a customer in Kenya. During the current period under review, additional costs incurred in Kenya related to Cloud Services' setup costs in line with the strategic introduction of the cloud offering, as well as higher operating costs. Excluding these items, the margin was similar and operating profit increased when compared to the prior year. MRM Kenya experienced an overall decline in financial performance that resulted in an impairment of R31 million of goodwill.

MRM MIDDLE EAST

MRM Middle East consists of operations in the United Arab Emirates, Oman and Saudi Arabia. Following a slow-down in intake of projects, revenue marginally increased to R121 million (FY2024: R120 million). The region incurred an operating loss of R5 million (FY2024: R2 million operating profit) due to continued challenges on margins, however the performance has improved slightly when compared to the second half of the prior year. While we do not expect an immediate change in the environment in the Middle East, we have implemented various measures to mitigate these challenges.

CLOUD AND CONTENT SERVICES SOUTH AFRICA

Our Cloud and Content Services South Africa suite of offerings includes Metrofile VYSION and Metrofile Cloud (previously IronTree). Overall, revenue increased by 3% to R153 million (FY2024: R148 million) with operating profit decreasing by 29% to R18 million (FY2024: R25 million). Metrofile Cloud continued to demonstrate consistent growth, and improved operating profit by 10% to R25 million (FY2024: R23 million), mainly as a result of growth in hosting services. Metrofile VYSION, which includes workflow automation services, had a challenging period as operating results declined to a loss of R7 million (FY2024: operating profit of R2 million).

REPORT OF THE INDEPENDENT AUDITORS

The consolidated financial statements for the year ended 30 June 2025 have been audited by BDO South Africa Incorporated, who expressed an unmodified opinion thereon. The consolidated financial statements and auditor's report, including the key audit matter, are available on the Company's website <https://www.metrofile.com/investor-relations>.

UPDATE RELATING TO THE POTENTIAL TRANSACTION

Metrofile shareholders are referred to the further cautionary announcement dated 28 August 2025 in terms of which shareholders were advised that discussions relating to the potential acquisition of the Company (the "Potential Transaction") by Main Street 2093 (RF) Proprietary Limited, a special purpose company through which the Potential Transaction will be implemented and wholly owned by a holding company ("HoldCo"), continue to progress and remain at an advanced stage, although the timeline has been extended due to regulatory engagements. Shareholders were further advised to continue to exercise caution when trading in their Metrofile shares until a further announcement is made.

As previously advised, HoldCo is a newly incorporated limited liability private company incorporated in Delaware which shareholding is currently held by WndrCo LLC ("WndrCo"), Mr James Simmons and his family and selected high net worth individuals. WndrCo is a multi-stage technology investment firm founded in 2016 with a thematic focus of consumerisation of software. WndrCo employs professionals in Silicon Valley and New York City with strong operating capabilities and unique networks of partners. Its investor base includes leading institutions, corporate partners and family offices.

DIVIDEND DECLARATION

Further to the cautionary announcement published on SENS, the last being dated 28 August 2025, the board has resolved not to declare a final dividend at this time and the full year dividend per share decreased by 71% (FY2024: final dividend of 7 cents per share).

CHANGES TO THE BOARD OF DIRECTORS

Mary Bomela left the employment of MIC and her role on the Metrofile Holdings board changed to an independent non-executive director effective 25 March 2025. No other changes were made to the Board of Directors subsequent to the changes reported at the release of the interim results on 3 March 2025.

Shareholders are referred to the SENS announcement on 9 July 2025 regarding the withdrawal of the Group Chief Financial Officer appointment of Bradley Swanepoel. Following discussions between Metrofile and Bradley, it has been mutually agreed that Bradley will no longer be taking up the position of Group CFO and

Executive Director, and his appointment was accordingly withdrawn. Shivan Mansingh will continue in his dual role as Metrofile Holdings Limited Group CFO and Managing Director of Metrofile Records Management South Africa until further advised.

OUTLOOK

We expect continued recovery from MRM South Africa and further expansion of our cloud services in line with our digital strategy. However, the external operating environment in the Middle East and certain African markets remains challenging. Management remains focused on geographic and operational optimisation to enhance profitability. The geographical strategic review has commenced; however, is subject to the outcome of the potential transaction.

The leadership changes made during 1HFY2025 are gaining traction, and we are focused on driving a robust digital-first product suite that aligns with clients' evolving needs. Cash generation remains strong, supporting our aim to reduce gearing and invest in technology-led solutions.

This shortform announcement is the responsibility of the directors and is only a summary of the information in the audited annual financial statements and does not contain full or complete details. The audited annual financial statements are published on:

- The JSE cloudlink at
<https://senspdf.jse.co.za/documents/2025/jse/isse/mfl/mflfy25.pdf>
- The Company's website at
<https://www.metrofile.com/investor-relations/>

Any investment decisions by investors and/or shareholders should be based on consideration of the audited annual financial statements, which are also available for inspection at our registered offices at no charge during office hours. Full electronic copies may be requested from Elmarie Smuts: elmaries@metrofileholdings.co.za and from the sponsor at jesponsor@standardbank.co.za. Statements on future financial performance have not been reviewed or audited by the Group's external auditors.

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8 September 2025

DIRECTORS

LE Mthimunya (Chairman)^*, P Langeni (Executive Deputy Chairman), STM Seopa (CEO), S Mansingh (CFO), SV Zilwa†*, MS Bomela*, A Khumalo^*, CS Seabrooke^*, DL Storum*, L Rood (Alternate)^*

^Independent *Non-Executive †Lead Independent

COMPANY SECRETARY

EM Smuts

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SPONSOR

The Standard Bank of South Africa Limited

TRANSFER SECRETARIES

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INVESTOR RELATIONS

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