

Metrofile Holdings Limited
(Incorporated in the Republic of South Africa)
Registration number 1983/012697/06
JSE ordinary share code: MFL ISIN: ZAE000061727
("Metrofile" or "the Company" or "the Group")

METROFILE STRATEGIC REVIEW

Introduction

Shareholders of Metrofile are advised that following a strategic review, the board of directors ("the Board") has decided to exit three non-core businesses as well as reconsidered the focus and implementation strategies of its digital initiatives.

Intention to exit non-core businesses

Metrofile's strategy continues to focus on providing valuable physical and digital records and information management, from origination to destruction, to its customers. Metrofile is committed to the customers and markets in which it operates, driving traction of its business model in support of its clients.

CSX Customer Services ("CSX") specialises in the supply, installation and maintenance of technology and systems for customers mainly in the education and public sectors. CSX's business is not aligned to Metrofile's core strategy and has a materially lower and more volatile returns profile. Term sheets have been signed to dispose of CSX in the next financial quarter.

Metrofile Nigeria has been unable to achieve scale and profitability in the ten years since opening and will be closed or sold in the new financial year, except for transitional service support to its small customer base in the territory.

Metrofile's minority stake of 40% in Lexie Legal Services Pty Limited is non-core and the development of evergreen software solutions is not aligned to the Group's strategy. Metrofile will seek to dispose of its minority stake in the new financial year.

These transactions will have no material impact on Metrofile's financial position and will not be categorised transactions in terms of the Listings Requirements of the JSE Limited.

Digital strategy

While the physical management of records and information remains core, the provision of digital services is already part of our service offering. Digital services currently accounts for approximately 10% of the Group's revenue which mostly consists of the digital transformation of records and the use of our existing software solutions. This is an area management will seek to grow as we work with clients to transform the way in which they approach data and records management and are proud to have helped customers win international awards in this field.

Eighteen months ago, as part of the Group's growth and expansion, Dexterity Solutions ("Dexterity") was established to develop digital software solutions. The Board has determined that evergreen software development is not in line with the strategy, but rather, that the Group will partner with relevant companies to develop the optimal digital solutions required by customers. As a result, Metrofile will discontinue its investment in Dexterity.

The focus in future will be on internal resources and assets, and working in partnership with leading companies to develop the optimal digital solutions required by customers. The digital strategy will be led and implemented by our internal technical resources within the Group.

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Johannesburg

Sponsor: The Standard Bank of South Africa Limited

Independent Advisor
Apex Partners Proprietary Limited