

ANNUAL FINANCIAL RESULTS

FOR THE YEAR ENDED 30 JUNE 2021

Metrofile
Group

REVENUE

R933M

↑ **3%**

OPERATING PROFIT

R241M

↑ **11%**

FREE CASH FLOW

R184M

↑ **42%**

NET DEBT IMPROVED TO

R434M

↓ **17%**

HEPS

31.8c

↑ **28%**

EPS

31.9c

↑ **>100%**

DPS

15c

↑ **15%**

SUMMARISED FINANCIALS (R'000)

	12 months ended 30 June 2021	12 months ended 30 June 2020
Revenue	933 465	903 272
EBITDA	322 651	301 696
Operating profit	240 801	217 274
EPS (cents)	31.9	(3.4)
HEPS (cents)	31.8	24.8
Net debt	434 464	523 607

RESULTS OVERVIEW

Results overview for the period:

- Revenue increased by 3% to R933 million.
- Operating profit increased 11% to R241 million.
- Group HEPS increased 28% to 31.8c.
- Net debt improved by 17% to R434 million.
- Free cash flow increased by 42% to R184 million.

FINANCIAL REVIEW

Revenue

Revenue increased by 3% to R933 million (FY2020: R903 million). Secure storage contributed 62% to Group revenue and was marginally down 2% year-on-year mainly as a result of a reduction in service-related revenue such as handling fees and transport costs. This was partially offset by an improvement in core storage related revenue, as an improved price mix was achieved during the period. New box volume intake increased 8%, from new and existing customers and was offset by destructions and withdrawals, with closing box volumes remaining at 11.1 million at 30 June 2021. Geographic performance in terms of box volume growth resulted in a marginal decline in net box volumes in South Africa of 1%, however we achieved improved net box growth in Rest of Africa of 4% and the Middle East of 46%. Digital services contributed 16% to Group revenue and was up 23% year-on-year mainly as a result of an increase in digital work flow solutions and the number of images processed. The increase was primarily driven by additional digital work performed in the Middle East as well as a positive contribution from the newly launched Metrofile Vysion. Metrofile Vysion provides digital work flow solutions and has enhanced our core capabilities in providing value to our customers. Products and solutions and business support services contributed 16% and 6% respectively to Group revenue. These revenue streams recorded increased revenues of 10% and 1% respectively as an overall improvement in volumes was realised, despite the impact of the challenging economic conditions.

Operating profit and EBITDA

Operating profit increased by 11% to R241 million (FY2020: R217 million) mainly as a result of the improved revenue and cost reduction measures. EBITDA rose by 7% to R323 million (FY2020: R302 million) due to improved operational performance.

Cash and debt

Free cash flow increased by 42% to R184 million (FY2020: R130 million) due to improvements in working capital and a reduction in capital expenditure following enhanced focus on capital allocation. Net

finance costs decreased significantly by 24% to R49 million (FY2020: R65 million) following the reduction in net debt of 17% to R434 million (FY2020: R523 million).

REVIEW OF OPERATIONS

MRM South Africa

Operating profit increased by 3% to R214 million (FY2020: R207 million) as a result of a reduction in cost as well as revenue increasing by 1% to R549 million (FY2020: R543 million). The rise in revenue was as a result of a 3% growth in core storage, digital work flow solutions and scanning revenue, which was partially offset by a reduction in box service related revenue. New box volume intake is expected to increase, whilst we seek to improve efficiencies in our warehouses. Key focus areas centre around the operationalisation of the digital services pipeline and key projects.

MRM Rest of Africa

MRM Rest of Africa consists of operations in Kenya, Botswana and Mozambique. Improved trading conditions positively impacted operating profit which increased by 15% to R35 million (FY2020: R30 million), despite a decrease in revenue of 6% to R100 million (FY2020: R106 million) due to the disposal of the Zambian business and closure of the Nigerian business in the prior year. Net box volume growth is expected to continue going forward, particularly in the greater East African region.

MRM Middle East

MRM Middle East consists of operations in the United Arab Emirates and Oman. Trading conditions have been positive in the Middle East, with a focus on materialising key digital projects as well as securing a long term pipeline of projects. Revenue improved by 42% to R77 million (FY2020: R55 million) and operating profit rose by 553% to R13 million (FY2020: R2 million) following the improved pipeline, operationalisation of key projects as well as higher box volumes.

Products and Services South Africa

Products and Services South Africa consists of Tidy Files, Cleardata and Global Continuity. Operating profit increased by 120% to R17 million (FY2020: R8 million), due to significant cost reduction initiatives implemented as a result of the current environment. Trading conditions in South Africa have been tough during the COVID-19 lockdown restrictions and the operating market has seen a slow improvement out of lockdown with revenue increasing by 4% to R207 million (FY2020: R200 million).

REPORT OF THE INDEPENDENT AUDITORS

The summarised consolidated financial statements for the year ended 30 June 2021 have been audited by Deloitte & Touche, who expressed an unmodified opinion thereon. The auditor also expressed an unmodified opinion on the annual consolidated financial statements from which the summarised consolidated financial statements were derived. The annual consolidated financial statements and auditor's report, including key audit matters, are available on the Company's website <https://www.metrofilegroup.com/investor-relations/>.

FINAL DIVIDEND

The Board has resolved to declare a final cash dividend of 8 cents per share.

Notice is hereby given that an interim gross cash dividend of 8 cents per share in respect of the year ended 30 June 2021 has been declared payable, from income reserves, to the holders of ordinary shares recorded in the books of the Company on Friday, 1 October 2021. The last day to trade cum-dividend will therefore be Tuesday, 28 September 2021 and Metrofile shares will trade ex-dividend from Wednesday, 29 September 2021. Payment of the dividend will be on Monday, 4 October 2021. Share certificates may not be dematerialised or rematerialised from Wednesday,

29 September 2021 (which is ex-date) to Friday, 1 October 2021, both days inclusive. Withholding tax on dividends will be deducted for all shareholders who are not exempt in terms of the legislation at a rate of 20% which will result in a final net cash dividend of 6.4 cents per share. The Company's issued share capital at the period end is 433 699 958 shares and the Company's tax number is 9375/066/71/0.

CHANGES TO THE BOARD OF DIRECTORS

Mr DL Storom was appointed alternate to Mr MZ Abdulla, effective 26 March 2021. There were no other changes to the Board for the year ended 30 June 2021 or up to the date of this report. Shareholders are advised of the changes to the Board and board committees effective after the date of this report being 30 September 2021, as published on SENS on 14 July 2021.

UPDATE RELATING TO PREVIOUS EXPRESSION OF INTEREST (EOI) TO BID FOR METROFILE

Shareholders were advised in December 2019 that Housatonic had submitted an EOI to potentially offer 330 cents per share to Metrofile shareholders and delist Metrofile. The process was stalled due to the COVID-19 lockdowns in March 2020, and placed completely on hold on 16 October 2020 when Metrofile withdrew its cautionary announcement. There have been no further substantive interactions with Housatonic or with other potential bidders and the Board regards the process as terminated at the present time.

OUTLOOK

Going forward, we anticipate we will achieve growth by extending and defending our market position in the information storage space as well as scaling our position in information management through growing our digital services offerings. With target gearing levels now achieved and cost reduction initiatives ensuring a more efficient structure, appropriate levels of capital allocation will now shift in support of consolidating our market position in information storage and accelerating growth in information management. We began delivering valuable solutions in these areas over the past year and we strongly believe we have a solid foundation to fuel growth in the digital space. Predictable annuity based revenue will continue to be the key characteristic in both information storage and information management service offerings.

Any reference to future financial performance included in this announcement has not been reviewed or reported on by the Company's auditors.

13 September 2021

Metrofile will host a webcast and conference call on the financial results at 10:30 on Wednesday 15 September 2021.

Registration for the webcast: <https://78449.themediaframe.com/links/metrofile210915.html>

Registration for the conference call:

<https://services.choruscall.za.com/DiamondPassRegistration/register?confirmationNumber=5401762&linkSecurityString=9168e54b4>

The presentation will also be available on the Group's website: www.metrofilegroup.com

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

- The JSE website at <https://senspdf.jse.co.za/documents/2021/jse/isse/mfl/MFLFY21.pdf>
- The Company's website at <https://www.metrofilegroup.com/investor-relations/>

Any investment decisions by investors and/or shareholders should be based on consideration of the full audited announcement. Electronic copies may be requested from Paige Atkins: paige@rspconsulting.co.za.

Metrofile

Metrofile Holdings Limited: Incorporated in the Republic of South Africa ("Metrofile" or "the Company" or "the Group") • Registered office: First Floor, 28 Fricker Road, Illovo, 2196, Gauteng, South Africa • www.metrofilegroup.com

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