

RH BOPHELO LIMITED
Incorporated in the Republic of South Africa
(Registration number 2016/533398/06)
(JSE and RSE Share Code: RHB, ISIN: ZAE000244737)

Annual Financial Statements

For the year ended 28 February 2025

RH BOPHELO LIMITED
ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 28 FEBRUARY 2025

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Preparer

The audited financial statements for the year ended 28 February 2025, as set out on pages 18 to 66 were prepared under the supervision of Ms Yondie Metu CA(SA) in terms of section 29 and 30 of the Companies Act. The financial statements have been audited by Forvis Mazars in compliance with the applicable requirements of the Companies Act, JSE Listings Requirements and RSE Listing Requirements.

**RH BOPHELO LIMITED
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General Information

Company name	RH Bophelo Limited
Company registration number	2016/533398/06
Registered business address	Unit 12, 1 Melrose Boulevard Melrose Arch Johannesburg 2076
Investment manager	RH Bophelo Management Company Proprietary Limited Unit 12, 1 Melrose Boulevard Melrose Arch 2076
Auditors	Forvis Mazars 54 Glenhove Road Melrose Estate Johannesburg Gauteng 2196
Sponsor (South Africa)	Deloitte & Touche Sponsor Services Proprietary Limited 5 Magwa Crescent Waterfall City Midrand Gauteng 2090
Sponsor (Rwanda)	Faida Securities Rwanda Centenary House 4th Floor 124 Kigali Rwanda

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Statement of Directors' Responsibilities

The Directors are responsible for the preparation, integrity and fair presentation of the Annual Financial Statements ("AFS") of RH Bophelo Limited ("the Company"). The annual financial statements are prepared in accordance with IFRS[®] Accounting Standards (IFRS Accounting Standards), including IFRIC[®] Interpretations of such standards as issued by the IFRS Interpretations Committee ("Committee"), the Financial Reporting Pronouncements as issued by Financial Reporting Standards Council, the requirements of the Companies Act, 71 of 2008, the Company's Memorandum of Incorporation ("MOI"), the King IV Report on Corporate Governance[™] ("King IV") for South Africa 2016, Copyright and trade marks are owned by the Institute of Directors in Southern Africa Non-Profit Company and all of its rights are reserved, Johannesburg Stock Exchange (JSE) Listings Requirements, the Rwanda Stock Exchange (RSE) Listings Requirements and compliance with applicable laws.


The Directors confirm that in preparing the AFS they have used the most appropriate accounting policies, consistently applied and supported by reasonable and prudent judgements and estimates, and that all IFRS Accounting Standards that they consider to be applicable have been followed. The Directors are satisfied that the information contained in the annual financial statements fairly presents the results of operations for the year and the financial position of the Company at the end of the financial year.

The Directors acknowledge that they are ultimately responsible for the system of internal financial control established by the Company, and place considerable importance on maintaining a strong control environment. To enable the Directors to meet these responsibilities, the Directors set standards for internal control aimed at reducing the risk of error or loss in a cost-effective manner. The standards include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties to ensure an acceptable level of risk. These controls are monitored throughout the Company and all employees are required to maintain the highest ethical standards in ensuring the Company's business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management is on identifying, assessing, managing and monitoring all known forms of risk across the Company. While operating risk cannot be fully eliminated, an endeavour is made to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.


The Directors are of the opinion, based on the information and explanations given by management, that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the annual financial statements. However, any system of internal financial control can provide only reasonable, and not absolute, assurance against material misstatement or loss.

The financial statements were prepared on the going concern basis. The assets of the Company, fairly valued, exceed its liabilities, fairly valued. Having considered the collective effects of the operating environment and the projected cash flows, the Directors are of the opinion that the Company will continue as a going concern in the foreseeable future.

The financial statements presented from pages 18 to 66 were audited by the independent auditors to whom unrestricted access was given to all financial records and related information, including minutes of all meetings of shareholders, the Board of Directors and committees of the Board. The unmodified audit opinion is set out on pages 10 to 14. Any reference to future financial performance included in the annual financial statements has not been audited or reported on by the external auditors.



Chairman
Samson Moraba
30 May 2025



CEO
Quinton Zunga
30 May 2025

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Chief Executive Officer and Chief Financial Officer responsibility statement

Each of the directors, whose names are stated below, hereby confirm that:

- a) The financial statements set out on pages 18 to 66, fairly present in all material respects the financial position, financial performance, and cash flows of the Company in terms of IFRS Accounting Standards;
- b) To the best of our knowledge and belief, no facts have been omitted or untrue statements made that would make the annual financial statements false or misleading;
- c) Internal financial controls have been put in place to ensure that all material information relating to the Company has been provided to effectively prepare the annual financial statements of the Company;
- d) The internal financial controls are adequate and effective and can be relied upon in compiling the annual financial statements, having fulfilled our role and function as executive directors with the primary responsibility for implementation and execution of controls;
- e) Where we are not satisfied, we have disclosed to the Audit and Risk Committee and the auditors the deficiencies in design and operational effectiveness of the internal financial controls and have taken steps to remedy the deficiencies; and
- f) We are not aware of any fraud involving directors.



Chief Executive Officer
Quinton Zunga
30 May 2025



Chief Financial Officer
Yondie Metu
30 May 2025

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Company Secretary's Certification

Declaration by the Company secretary in respect of Section 88(2)(e) of the Companies Act of South Africa

In my capacity as the Company Secretary, I hereby confirm, in terms of the South African Companies Act, No. 71 of 2008, as amended, that for the year ended 28 February 2025, RH Bophelo Limited has lodged with the Companies and Intellectual Property Commission (CIPC) all such returns as are required of a public company in terms of the Act, and that all such returns are, to the best of my knowledge and belief, true, correct and up to date.



**Shantel Dartnall
Company Secretary
Statucor Proprietary Limited**

Date: 30 May 2025

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AUDIT AND RISK COMMITTEE REPORT

Introduction

The Audit and Risk Committee (“ARC”) of RH Bophelo Limited ("the Company") presents its report for the financial year ended 28 February 2025. The Committee reports that it has adopted formal terms of reference as its Audit and Risk Committee Charter (“the Charter”), and that it has discharged all of its responsibilities for the current financial year, in compliance with the Charter.

The ARC is a statutory committee constituted in terms of Section 94(7) of the Companies Act. It is a committee made up of independent non-executive directors that is accountable to both the board of directors and the shareholders of the Company. The primary objectives of the Committee are to assist the Board in its oversight responsibilities, in particular, the Committee is responsible for the following:

- Evaluating the adequacy and efficiency of accounting policies
- Internal controls
- The audit process
- Financial reporting processes
- The independence and effectiveness of the external auditors
- Recommendation of the appointment and remuneration of external auditors

Responsibilities of the ARC

The ARC’s responsibilities have been delegated to the Committee by the Board of Directors and are governed by the Charter. During the year under review, the Committee discharged its responsibilities across the following key focus areas:

- Financial Reporting
- Governance and internal controls
- External audit

Composition of the Committee

The shareholders of the Company are required to approve the appointment of the members of the ARC at the annual general meeting in accordance with the provisions of the Companies Act. In line with the recommendations section 94 of the Companies Act and the King IV Code of Corporate Governance™, all the members of ARC are independent non-executive directors who meet the requirements to serve on the Committee by virtue of their individual and collective expertise and experience. During the year under review, the committee held 4 meetings where the required quorum which is the majority of members was met.

During the year the members of the Committee were as follows:

Member	Qualifications	Appointments/Resignations	Most recent appointment to the Committee	Attendance
Ms Bojane Segooa - Chairperson	CA(SA); MCom		Reappointed - 22 August 2024	4/4
Mr Samson Moraba	BCom; PMD		Reappointed - 22 August 2024	4/4
Mr Romeo Makhubela	BCom; MFin; MPhil		Reappointed - 22 August 2024	4/4
Ms Carmen Mpelwane	CA(SA) CFA	Appointed - 17 January 2025		1/1

The external auditors and senior executives of the Company - the CEO; the CFO and the CIO are permanent invitees to meetings of the ARC. During the financial year, Mr Quinton Zunga (CEO), Mr Colin Clarke (CIO) and Ms Yondie Metu (CFO) attended all ARC meetings as invitees.

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AUDIT AND RISK COMMITTEE REPORT

Financial reporting

The ARC reviewed the integrity of the interim results for the period ended 31 August 2024 and the annual financial statements for the year ended 28 February 2025 and recommended annual financial results to the board for approval.

During the course of its work, the Committee:

- Evaluated and approved the material disclosures made by the Company in relation to significant events and transactions including short-form and long-form announcements issued during the period under review.
- Considered the appropriateness of the accounting policies adopted by the Company in the preparation of interim and annual financial statements.
- Considered the appropriateness of key estimates, assumptions and disclosures made, particularly in relation to the valuation of unlisted investments.
- Examined and reviewed the interim and annual financial statements to ensure balanced and faithful presentation consistent with the application of appropriate accounting policies and standards.
- Considered the 2024 Proactive Monitoring Report issued by the JSE and established that the most material disclosure omissions identified by the JSE in the sample of companies surveyed that are relevant to the Company, related to disclosures of fair value measurement in terms of IFRS 13. The ARC is satisfied that the Company's fair value disclosures in the interim and annual financial statements, are fully compliant with the disclosure requirements of IFRS 13 *Fair Value Measurement*.
- Considered the 2024 Combined Findings Report issued by the JSE in October 2024 and assessed its disclosures relating to cash flow information and liquidity and going concern. The ARC is satisfied that the Company's disclosures relating to cash flow information, liquidity and going concern in both the interim and annual financial statements, are compliant with the requirements of IFRS Accounting Standards.
- Undertook a detailed review of the going concern status of the Company and concluded that the Company is a going concern and that the preparation of the interim and annual financial statements on the going concern basis was appropriate. More details about the going concern assessment can be found in Note 25.
- Reviewed the solvency and liquidity of the Company and concluded that the Company would be able to pay its debts as they become due in the ordinary course of business for the next 12 months.
- Assessed the treatment of events after the reporting period, including the classification of events and additional disclosures provided in Note 23. The Committee is satisfied that events after the reporting period have been adequately assessed and where necessary, appropriately disclosed.
- Considered the appropriateness of the key audit matter reported in the external audit opinion.

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AUDIT AND RISK COMMITTEE REPORT

In assessing the appropriateness of the key audit matter reported in the external audit opinion, the Committee undertook the following:

Key audit matter	How the matter was addressed
Valuation of financial assets held at fair value through profit or loss	<p>The Audit and Risk Committee (ARC) received presentations on valuation of the material investments across the Company including an analysis of the key judgements and assumptions applied and approved the valuation adjustments proposed by management for the year ended 28 February 2025 and the appropriateness of the IFRS 13 and IFRS 7 disclosures on fair value. The properties included in the valuation of different investee companies have been independently valued.</p> <p>The judgements and assumptions used in the process of valuation of investments in unlisted equities were consistent to those applied in the prior years. The ARC, alongside the Investment Committee, challenged and debated the significant subjective inputs and assumptions, and the valuation principles applied in the valuation of unlisted investments and properties. The ARC was satisfied that the process applied in the valuation process was sufficiently robust to give a fair indication of the fair value of all investments.</p>

Governance and internal control environment

In discharging its responsibilities, the Committee, among other functions:

- Assessed the systems of internal controls to establish whether the controls in place are sufficient to address the risks inherent in the Company’s operations and that the controls provide assurance against the risk of material losses or misstatements. The Committee is of the opinion that the systems of internal financial controls are designed effectively.
- Assessed the evolving risk profile of the Company including the strategic risk register reported on by internal audit, and the strategies adopted or to be adopted to reduce these risks.
- Considered all internal audit reports, including significant audit findings and recommendations to management and the Committee.
- Reviewed the charter of the internal audit function, and its proposed workplan to ensure that the workplan covers material risk areas and business processes.
- Evaluated the competence, qualifications and expertise of the Company Secretary.
- The Committee performed an evaluation of the effectiveness of the Company’s finance function and the adequacy of resources within the finance function and concluded that the finance function remains adequately staffed and capacitated to fulfil its role.
- The Committee is satisfied that the Chief Financial Officer – Ms Yondie Metu – has the appropriate expertise and experience to meet the scope of responsibilities of the CFO role.

External audit

The Committee is responsible for the recommendation to the shareholders of the appointment of the external auditors on an annual basis and for exercising oversight over the work of the external auditors.

During the year under review, the committee performed the following responsibilities in relation to external audit:

- Approval of the external audit plan, proposed scope of work and the proposed audit fees.

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AUDIT AND RISK COMMITTEE REPORT

- Continuously monitored the Company's policy on audit and non-audit services to ensure safeguards remain in place in instances where the external auditors were engaged to provide non-audit services for the Company. During the period under review, there were no non-audit services provided by the external auditors.
- Continuous monitoring of the audit performance, independence and objectivity of the external auditors.
- Reviewed the effectiveness of the external auditors with reference to the quality of the audit team, technical skills and experience; the allocation of resources during the audit; and the execution of the approved audit plan.
- Reviewed the findings and recommendations of the external auditors and confirmed that there are no material unresolved matters.
- Confirmed that no Reportable Irregularities were identified and reported by the auditors in terms of the Auditing Profession Act, 26 of 2005.
- Evaluation of all relevant information – as required by the JSE Listings Requirements – provided by Forvis Mazars in order to assess the suitability of the reappointment of Forvis Mazars as external auditors and the appointment of Stephan Adlam CA(SA) as the designated engagement partner.
- Confirmation of Stephan Adlam's suitability to serve as engagement partner through the evaluation of his skills, experience and expertise and the confirmation that he is independent and does not appear on the list of disqualified auditors.
- Confirmed that Forvis Mazars has been the auditor of the entity for 5 years. Stephan Adlam took over the engagement during the 2024 financial year and changes in management over the tenure of the external audit firm mitigates the risk of familiarity including the appointment of a new CFO in December 2023.
- The ARC Chair held regular closed meetings with the external auditors for updates on external audit matters.

Recommendation for approval

The ARC is satisfied that it has fulfilled its responsibilities in accordance with the ARC charter and has reviewed the annual financial statements and recommended them for approval by the Board.



Ms Bojane Segooa
Audit and Risk Committee Chairperson
30 May 2025

Forvis Mazars, 54 Glenhove Road
Melrose Estate, 2196
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forvismazars.com/za



Independent Auditor's Report

To the Shareholders of RH Bophelo Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of RH Bophelo Limited (the company) set out on pages 18 to 66, which comprise the statement of financial position as at 28 February 2025, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information.

In our opinion, the financial statements present fairly, in all material respects, the financial position of RH Bophelo Limited as at 28 February 2025, and its financial performance and cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board and the requirements of the Companies Act of South Africa.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the company in accordance with the Independent Regulatory Board for Auditors' Code of Professional Conduct for Registered Auditors (IRBA Code) and other independence requirements applicable to performing audits of financial statements in South Africa. We have fulfilled our other ethical responsibilities in accordance with the IRBA Code and in accordance with other ethical requirements applicable to performing audits in South Africa. The IRBA Code is consistent with the corresponding sections of the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards). We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.


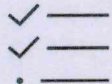

In terms of the IRBA Rule on Enhanced Auditor Reporting for the Audit of Financial Statements of Public Interest Entities, published in Government Gazette No. 49309 dated 15 September 2023 (EAR Rule), we report:

Registered Auditor – A firm of Chartered Accountants (SA) • IRBA Registration Number 900222

Partners: MV Ninan (Country Managing Partner), C Abrahamse, SJ Adlam, JPMP Atwood, JM Barnard, AK Batt, S Beets, T Beukes, WI Blake, HL Burger, MJ Cassan, C Coetzee, JC Combrink, JR Comley, TVDL De Vries, CR De Wee, G Deva, Y Dockrat, S Doolabh, M Edelberg, JJ Eloff, T Erasmus, F Esterhuizen, Y Ferreira, MH Fisher, B Frey, T Gangen, M Groenewald, K Hoosain, MY Ismail, B Jansen, J Kasan, D Keeve, J Marais, TL Maree, N Mayat, B Mbunge, G Molyneux, A Moruck, R Murugan, S Naidoo, MG Odendaal, W Olivier, MT Rossouw, M Pieterse, E Pretorius, W Rabe, N Ravele, D Resnick, L Roeloffze, M Saayman, E Sibanda, MR Snow, EM Steyn, HH Swanepoel, AL Swartz, DM Tekie, MJA Teuchert, N Thelander, S Truter, PC van der Merwe, R van Molendorff, JC Van Tubbergh, N Volschenk, S Vorster, J Watkins-Baker

Our offices: Bloemfontein, Cape Town, Durban, Gqeberha, Johannesburg, Paarl, Pretoria

Final Materiality

Financial statements	
 <p>Materiality</p>	R20 047 000
 <p>Basis for determining materiality</p>	We have used 1.6% of Total Assets as the basis for our materiality
 <p>Rational for the benchmark applied</p>	Total assets were determined as being the appropriate basis to calculate materiality on as the company is an investment holding company. The company's performance is therefore assessed on its ability to value of and growth in its investment portfolio.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

In terms of the EAR Rule, we are required to report the outcome of audit procedures or key observations with respect to the key audit matters and these are included below.

Matter #01	Financial assets at fair value through profit or loss (Note 6)
Description of the key audit matter	<p>The financial assets at fair value through profit or loss as disclosed in note 6 to the financial statements of RH Bophelo Limited include unlisted equity instruments to the amount of R1 185 697 747 which represents 92 of Total Assets.</p> <p>The company has applied the discounted cash flow method for valuing these investments on the Sum of the Parts methodology.</p> <p>There are a number of unobservable inputs used in determining the fair value of the investments which include:</p>

- future revenue, operating margins and other items impacting projected cash flows
- assumptions applied in the budgeting process;
- market interest rates;
- terminal growth rates;
- capitalisation rates;
- assumptions applied in the weighted average cost of capital; and discount rates applied to projected future cash flows

These assumptions have a material impact on the valuation of the investments.

Due to the level of judgement and significance of the financial assets to RH Bophelo Limited's financial position, this is identified to be a key audit matter.

How we addressed the key audit matter

On the valuations obtained from management, we performed the following procedures:

- We assessed the competence, capabilities, and objectivity of management and their experts.
- We obtained an understanding of the budgeting and forecast model used by management.
- We assessed management's ability to forecast accurately by comparing 2024 actual results to the prior year budgets.
- We assessed the reasonability of the inputs applied in the cash flow forecast.
- We compared the growth rates used in strategic plans with historical performance.
- Using our internal valuation experts:
 - We evaluated the reasonableness of the company's fair value calculations and the principles and methodology of the discounted cash flow models.
 - We tested the assumptions applied to calculate the weighted average cost of capital, discount rates, terminal growth rates, capitalisation rates, and other items impacting the projected cash flows and recalculated those rates for accuracy.
 - We evaluated the reasons for any differences on inputs applied and evaluated the impact on management's fair value calculation, and proposed adjustments where required.
 - We recalculated the mathematical accuracy of the valuations.
 - We tested the reasonability of assumptions used and sensitivity analysis with reference to industry related published data.

We assessed the adequacy of the disclosures in the notes to the annual financial statements in accordance with the requirements of International Financial Reporting Standards in relation to IFRS 7 Financial Instrument: Disclosures and IFRS 13 Fair Value Measurement.

Other Information

The directors are responsible for the other information. The other information comprises the information included in the document titled "RH Bophelo Limited Annual Financial Statements for the year ended 28 February 2025" which includes the Directors' Report, Audit and Risk Committee's Report and the Company Secretary Company's Certificate as required by the Companies Act of South Africa, Shareholder Information as supplementary information and the Integrated Report, which is expected to be made available to us after that date. The other information does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express an audit opinion or any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Statements

The directors are responsible for the preparation and fair presentation of the financial statements in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board and the requirements of the Companies Act of South Africa, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

Audit Tenure

In terms of the IRBA Rule published in Government Gazette Number 39475 dated 4 December 2015, we report that Forvis Mazars has been the auditor of RH Bophelo Limited for 5 years.



Forvis Mazars
Partner: Stephan Adlam
Registered Auditor
30 May 2025
Johannesburg

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DIRECTORS' REPORT

1. THE COMPANY

RH Bophelo Limited ("the Company") is an investment entity listed on the Johannesburg Stock Exchange ("JSE") and the Rwanda Stock Exchange ("RSE").

The Company's annual financial statements have been prepared for the year ended 28 February 2025.

2. PRINCIPAL ACTIVITIES

The Company seeks to generate returns for its shareholders through various investments in the healthcare and financial services. The Company is involved in making equity, quasi-equity, and equity-related investments in healthcare and financial sectors, specifically in operational infrastructure, health insurance, private hospital infrastructure, pharmaceuticals, retail and distribution and healthcare technology. The Company executes on its investment mandate primarily through two wholly-owned subsidiaries, RH Bophelo Operating Company Proprietary Limited ("RHBO") and RH Financial Services Proprietary Limited ("RHFS"). These subsidiaries are utilised to acquire and dispose various investments on behalf of the Company.

3. FINANCIAL RESULTS

The Directors are responsible for ensuring that the Company produces a set of AFS which fairly present the state of affairs of the Company at the end of each financial year and the profit or loss for the year, in accordance with IFRS Accounting Standards, the Companies Act, and the interpretations adopted by the International Accounting Standards Board ("IASB"), the Financial Reporting Pronouncements (as issued by the Financial Reporting Standards Council), the RSE Listings Requirements and the JSE Listings Requirements.

For the financial year ended 28 February 2025, the Company recorded profit /total comprehensive income of R43 928 373 (2024: profit /comprehensive income of R182 644 053). Full details of the financial position and financial performance of the Company are contained in the detailed annual financial statements as set out on pages 18 - 66. The local economy has continued to stagnate during the current financial year, with high interest rates and fuel prices putting strain on consumers. The outlook for the upcoming financial year shows minimal economic growth with consumers expected to remain constrained which affects spending patterns particularly in relation to elective procedures. As RH Bophelo, our service offering is diverse enough across the spectrum of healthcare needs and hence we remain confident of our ability to offer value to our patients even in light of the poor economic fundamentals. The implementation of the asset-light strategy has resulted in value created across the portfolio by lowering input costs, improving operating margins and enabling service integration.

The deterioration of U.S. - South Africa trade relations presents a non-trivial risk to RHBL's procurement cost base, capital access, and strategic expansion plans. While the direct exposure to U.S. exports is concentrated in hospital equipment and pharmaceuticals, the indirect effects - via Rand depreciation and capital market tightening, can create significant macro-financial headwinds. A proactive pivot to regional manufacturing, financial hedging, and strategic diplomacy will be key to preserving RHBL's financial health and shareholder value under such conditions.

The Directors have considered the ongoing impacts of these macro-economic fundamentals and are satisfied that their impact has been adequately incorporated into the Company's valuation methodology.

4. DIVIDENDS

No dividends per "A" ordinary share were declared in the current year. In the prior year the Company declared and paid a dividend on "A" ordinary shares of R0.31 cents per "A" share amounting to R20 054 302 on record date 14 December 2023.

5. DIRECTORS' FEES AND REMUNERATION

The Directors' emoluments and earnings have been disclosed under note 20.

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DIRECTORS' REPORT

6. DIRECTORATE

The Directors in office at the date of this report are as follows:

Directors	Classification of director	Changes during the current year
Bojane Segooa	Independent, Non-executive	
Dr David Sekete	Non-Executive	
Romeo Makhubela	Independent, Non-executive	
Samson Moraba	Independent Non-executive, Chairman	
Fulufhelo Makwetla	Non-executive	
Carmen Mpelwane	Independent, Non-executive	Appointed - 17 January 2025
Thanyani Mashau	Independent, Non-executive	Appointed - 17 January 2025
Quinton Zunga	Chief Executive Officer	
Yondie Metu	Chief Financial Officer	
Colin Clarke	Chief Investment Officer	

7. GOING CONCERN

The annual financial statements have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business.

- The Company's assets fairly valued exceed its liabilities fairly valued.
- The Company maintains a strong net asset value position of R1 078 261 828 (2024: R1 034 333 455) and a net current asset position R12 233 348 (2024: R59 848 923) .
- The Company will be able to pay its debts as they become due in the ordinary course of business for the 12 months up to 28 February 2026.

The directors believe that the company has adequate financial resources to continue in operation for the foreseeable future and accordingly the annual financial statements have been prepared on a going concern basis. The directors have satisfied themselves that the company is in a sound financial position and that it has access to sufficient borrowing facilities to meet its foreseeable cash requirements. The directors are not aware of any new material changes that may adversely impact the company. The directors are also not aware of any material non-compliance with statutory or regulatory requirements or of any pending changes to legislation which may affect the company.

Having assessed the variables and scenarios relating to external factors in addition to internal projections and cash flow forecasts, the Directors have concluded that the going concern assumption remains the appropriate basis for preparing the financial statements of the Company.

8. STATED CAPITAL

The Company's authorised stated capital is 10 000 000 000 "A" no par value ordinary shares with voting rights (2024: 10 000 000 000) . The Company also has 1 "B" restrictive no par value class of shares (2024: 1) . The total number of ordinary shares in issue as at 28 February 2025 is 64 691 298 (2024: 64 691 298) . There were no issues or repurchases of ordinary shares during the year.

9. MATERIAL EVENTS

Investments

In the prior year, the Company' implemented its 'asset light' strategy from an 'asset-heavy owner and operator of assets' to an 'asset-light owner and manager of healthcare assets'. This strategy is aimed at capitalising on opportunities to participate in the wider value chain of the healthcare sector and growing the business through strategic partnerships and new ventures. During the current year, the Company deployed net R30 million (2024: R27 million) through its wholly-owned subsidiaries.

**RH BOPHELO LIMITED
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DIRECTORS' REPORT

9. MATERIAL EVENTS (continued)

The amounts were allocated as follows:

- Investment in RH Bophelo Operating Company Proprietary Limited ("RHBO") – R29.9 million; and
- Investment in RH Bophelo Financial Services Proprietary Limited ("RHFS") – R0.5 million.

The acquisitions relating to the 'asset light' investment strategy made by RHBO are in line with the Company's investment policy and focuses on other services provided within the healthcare industry including, but not limited to, pharmacy distribution, pathology, radiology and dialysis.

Of the R29.9 million deployed to RHBO, the following advances were made to subsidiaries of RHBO:

- In May 2024, the Company through its subsidiary RHBO founded Renal Healthcare Africa Proprietary Limited ("Renal Healthcare Africa") in conjunction with Renocare South Africa Proprietary Limited ("Renocare SA"). RHBO owns 51% of the joint venture. During the current period, RHBO's equity contribution amounted to R8,3 million. Renal Healthcare Africa provides dialysis services.
- In March 2024, advanced a R8 million loan to MMed Distribution Services Proprietary Limited ("MMed") for working capital purposes. The R8 million was repaid by the end of the current financial year. MMed is a pharmaceutical distributor with distribution licenses across South Africa.
- In the current year RHBO deployed capital to the value of R6,6m to RazoHealth Radiology Proprietary Limited ("Razohealth") for the three practices that were operational as at year end. Razohealth is a management company for radiology practices.
- In October 2024, the Company deployed a working capital advance of R1.6 million to Fauchard Tandheelkundige Sentrum (Proprietary) Limited ("Fauchard")

Investments made through RHFS:

- Shareholder loans of R0.5 million were advanced to Wesmart Financial and Administration Solution Proprietary Limited ("Wesmart") to fund various operational requirements.

10. EVENTS AFTER THE REPORTING PERIOD

The directors are not aware of any other material event which occurred after the reporting date and up to the date of this report.

11. COMPANY SECRETARY

The Board of RH Bophelo Limited hereby confirms that the relationship with the Company Secretary - Statucor Proprietary Limited is at arm's length and the Board has satisfied itself of the competence, qualifications and experience of the Company Secretary and its delegated representatives.

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Statement of Financial Position as at 28 February 2025

	Note(s)	2025 R	2024 R
Assets			
Non-Current Assets			
Property, plant and equipment	8	600 880	1 487 401
Loans to related parties	7	51 050 911	36 801 641
Financial assets at fair value through profit or loss	6	1 185 697 747	1 093 024 399
		1 237 349 538	1 131 313 441
Current Assets			
Loans to related parties	7	4 560 662	8 029 086
Other receivables	10	11 253 447	22 288 061
Cash and cash equivalents	12	30 017 789	54 729 651
		45 831 898	85 046 798
Total Assets		1 283 181 436	1 216 360 239
Equity and Liabilities			
Equity			
Share capital	13	633 589 672	633 589 672
Retained income		444 672 156	400 743 783
		1 078 261 828	1 034 333 455
Liabilities			
Non-Current Liabilities			
Borrowings	15	49 567 665	50 349 948
Lease liabilities	9	-	510 569
Deferred tax	14	121 753 393	105 968 391
		171 321 058	156 828 908
Current Liabilities			
Trade and other payables	16	11 560 144	2 619 479
Borrowings	15	11 564 671	21 641 543
Lease liabilities	9	483 840	936 854
Bank overdraft	12	9 989 895	-
		33 598 550	25 197 876
Total Liabilities		204 919 608	182 026 784
Total Equity and Liabilities		1 283 181 436	1 216 360 239

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Statement of Profit or Loss and Other Comprehensive Income

	Note(s)	2025 R	2024 R
Interest income	17	8 040 942	14 678 053
Dividend income	17	26 142 000	22 144 498
Fair value gains from financial assets at fair value through profit or loss	17	72 051 963	243 593 458
Total investment income		106 234 905	280 416 009
Other income	18	5 650 704	4 440 429
Finance costs	15	(11 469 931)	(19 980 044)
Employee costs	19	(10 956 732)	(11 654 610)
Management fees	19	(6 792 121)	(7 423 601)
Depreciation	19	(935 075)	(908 707)
Allowance for expected credit losses	10	(1 166 667)	-
Other operating expenses	19	(20 851 708)	(12 677 288)
		(52 172 234)	(52 644 250)
Total income before taxation		59 713 375	232 212 188
Income tax	11	(15 785 002)	(49 568 135)
Total income after tax		43 928 373	182 644 053
Other comprehensive income		-	-
Total comprehensive income for the year		43 928 373	182 644 053
Basic and diluted earnings per ordinary share (cents)	26	67,9	282,3

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Statement of Changes in Equity

	Share capital	Retained income	Total equity
	R	R	R
Balance at 01 March 2023	633 589 672	238 154 032	871 743 704
Profit /Total comprehensive income for the year	-	182 644 053	182 644 053
"A" Class ordinary dividend	-	(20 054 302)	(20 054 302)
Balance at 01 March 2024	633 589 672	400 743 783	1 034 333 455
Profit /Total comprehensive income for the year	-	43 928 373	43 928 373
Balance at 28 February 2025	633 589 672	444 672 156	1 078 261 828

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Statement of Cash Flows

	Note(s)	2025 R	2024 R
Cash flows from operating activities			
Cash used in operations	29	(22 964 990)	(33 243 839)
Dividends received		35 346 912	8 144 498
Finance costs paid		(12 638 641)	(20 497 086)
Interest received		2 595 664	11 765 371
Net cash from operating activities		2 338 945	(33 831 056)
Cash flows from investing activities			
Purchase of property, plant and equipment	8	(48 554)	(80 204)
Repayments of financial assets at fair value through profit or loss	6	2 917 824	-
Advances of financial assets at fair value through profit or loss	6	(33 349 365)	(20 361 539)
Loans to group companies repaid	7	4 474 587	2 000 000
Loans advanced to group companies		-	(916 404)
Proceeds from disposal of financial assets at fair value through profit or loss		-	7 000 000
Net cash from investing activities		(26 005 507)	(12 358 147)
Cash flows from financing activities			
Repayments on borrowings	15	(10 000 000)	(30 000 000)
Payment on lease liabilities	9	(1 035 194)	(956 970)
"A" Class shares - Dividends paid		-	(20 054 302)
Net cash from financing activities		(11 035 194)	(51 011 272)
Total cash movement for the year		(34 701 757)	(97 200 475)
Cash and cash equivalents at the beginning of the year		54 729 651	151 930 126
Cash and cash equivalents at the end of the year	12	20 027 894	54 729 651

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Notes to the Annual Financial Statements

1 General information

RH Bophelo Limited (“the Company”) is a legal entity registered in the Republic of South Africa. The Company is an investment entity that engages in making equity, quasi-equity and equity-related investments in healthcare and financial services, specifically in operational infrastructure, including health insurance, private hospital-related infrastructure, pharmaceuticals, retails and distributions and healthcare technology. The Company was incorporated on 13 December 2016.

RH Bophelo Operating Company Proprietary Limited ("RHBO") and RH Financial Services Proprietary Limited ("RHFS") are wholly-owned subsidiaries of the Company, which are utilised to acquire investments on behalf of the Company.

The Company has appointed RH Bophelo Management Company Proprietary Limited ("RHBM") as its investment manager, to manage its investment portfolio which includes advice on the Company’s investment decisions, in line with section 15 of the JSE Listings Requirements. The relationship between the Company and RHBM, including the duration and remuneration, is governed by a shareholder-approved management agreement. RHBM has extensive experience in the healthcare industry.

2 New and revised International Financial Reporting Standards in issue

2.1 Standards and amendments effective and adopted in the current year

In the current year, the Company adopted the following standards and amendments that are effective for the current financial year and that are relevant to its operations:

Standard/Amendments	Effective date	Key requirements
IAS 1 <i>Presentation of Financial Statements</i>	1 January 2024	<ul style="list-style-type: none"> • Classification of Long-term Debt Affected by Covenants: • The amendment clarifies the classification of debt as non-current only if the company can avoid settling the debt within 12 months after the reporting date. • It specifies that covenants to be complied with after the reporting date do not affect the classification of debt as current or non-current at the reporting date. • The amendment requires the company to disclose information about these covenants in the notes to the financial statements. • The adoption of the amendment resulted in additional disclosures in the financial statements relating to covenants on other financial liabilities.
IFRS 16 <i>Leases</i>	1 January 2024	<ul style="list-style-type: none"> • Lease liability in a Sale and Leaseback: Narrow-scope amendment. • The amendments deal with the subsequent measurement for sale and leaseback transactions meeting the requirements of IFRS 15 for sale only. • The Seller-lessee is to measure the lease liability in such a manner so that any gain or loss recognised relates only to rights transferred to buyer-lessor. • No gains or loss must be recognised on the right of use retained. • The adoption of the amendment had no material impact on the Company as there were no sale and leaseback transactions during the year.

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Notes to the Annual Financial Statements (continued)

2.2 Standards and amendments not yet effective

The following accounting standards, interpretations and amendments have been issued but are not yet effective as at 28 February 2025:

Standard/Amendments	Effective date (Financial Reporting Periods commencing on or after)	Summary	Impact on RH Bophelo Limited
IFRS 18 <i>Presentation and Disclosure in Financial Statements</i>	1 January 2027	Introduction of three defined categories for income and expenses: operating, investing and finance. This is to improve the structure of the income statement and requires all companies to provide new defined subtotals, including operating profit. Improved categories will give investors a consistent starting point for analysing companies' performance and make it easier to compare companies.	The impact of the amendment is currently being assessed.
Classification and Measurement of Financial Instruments - Amendments to IFRS 9 and IFRS 7	1 January 2026	<ul style="list-style-type: none"> • The amendment clarifies that a financial liability is derecognised on the 'settlement date', i.e., when the related obligation is discharged, cancelled, expires or the liability otherwise qualifies for derecognition. • clarifies how to assess the contractual cash flow characteristics of financial assets that include environmental, social and governance (ESG)-linked features and other similar contingent features. • Clarifies the treatment of non-recourse assets and contractually linked instruments • Requires additional disclosures in IFRS 7 for financial assets and liabilities with contractual terms that reference a contingent event (including those that are ESG-linked), and equity instruments classified at fair value through other comprehensive income. 	The impact of the amendment is currently being assessed.

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Notes to the Annual Financial Statements (continued)

3. Basis of preparation

3.1 Statement of compliance and basis of preparation

These financial statements ("AFS") have been prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IASB), the Financial Reporting Pronouncements as issued by the Financial Reporting Standards Council and in the manner required by the Companies Act of South Africa, the JSE Listings Requirements and the RSE Listings Requirements. These have have been prepared on the historical cost basis, except for unlisted investments and loans to related parties which are measured at fair value through profit or loss.

3.2 Functional and presentation currency

The financial statements are presented in South African Rand, which is also the Company's functional currency. Amounts in these financial statements are presented in full values and have not been rounded.

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Notes to the Annual Financial Statements (continued)

4 Critical accounting judgements and key sources of estimation uncertainty

The preparation of the AFS in conformity with IFRS Accounting Standards requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

In particular, information about significant areas of estimation uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amounts recognised in the annual financial statements includes the determination of fair value for assets that are carried at fair value through profit or loss.

4.1 Investment entities

The Company and its subsidiaries – RH Bophelo Operating Company Proprietary Limited ("RHBO") and RH Financial Services Proprietary Limited ("RHFS") are classified as investment entities in line with IFRS 10 *Consolidated Financial Statements*.

According to IFRS 10, RH Bophelo Limited as an investment entity measures its investments in subsidiaries at fair value through profit or loss in accordance with IFRS 9 *Financial instruments*.

After conducting an assessment of the Company's activities and business purpose, the Board of Directors have concluded that the Company meets the definition of an investment entity as per IFRS 10 based on the following factors:

- The Company and its subsidiaries obtained funds from more than one investor with the purpose of providing those investors with returns through growth in investments;
- The Company and its subsidiaries also committed to its investors that its business purpose is to invest in commercially viable healthcare and financial services assets that are cashflow positive or will be cashflow positive within a reasonable time; and
- The Company and its subsidiaries measure and evaluate the performance of all its investments on a fair value basis.

Furthermore, the Company and its subsidiaries have more than one investment. The Company also has more than one investor and its investors are not related parties, additionally its interest is mainly in equity form in all its investments. The Company has an approved investment policy and has documented its exit strategy which outlines its approach to managing its investments.

The Company has set up RHBO and RHFS as separate legal entities in line with the business model for managing healthcare and financial services as discrete business segments. RHBO and RHFS also committed to investors that the business purpose is to invest in commercially viable healthcare and financial assets that are cashflow positive or will be cashflow positive within a reasonable time. The two subsidiaries measure and evaluate the performance of all investments on a fair value basis.

Based on the above assessment it was concluded that the Company and its subsidiaries (RHBO and RHFS) are investment entities and are therefore exempt from consolidation in line with paragraph 31 of IFRS 10. On this basis, these separate financial statements is the Company's only annual financial statements. The underlying investments in subsidiaries held by the Company are accounted for as financial assets measured at fair value through profit or loss in accordance with IFRS 9. Additionally, as RHBO and RHFS are investment entities in their own capacity that have been structured separately in order to distinguish between the healthcare and the financial services portfolio, they are accounted for at fair value through profit or loss.

The Company received its investment management services from RH Bophelo Management Company Proprietary Limited ("RHBM"), an entity that is not controlled by the Company. The investment management company is an autonomous entity, that is not influenced or controlled by RH Bophelo Limited, as RH Bophelo Limited has no shareholding in RHBM. It has experience in the healthcare investment and portfolio management industry of over 10 years. RHBM is able to provide investment management services and to raise capital for parties other than RH Bophelo. As a result, even though RHBM provides management services to the Company, it is not a service subsidiary in terms of IFRS 10 and is therefore not consolidated.

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Notes to the Annual Financial Statements (continued)

4. Critical accounting judgements and key sources of estimation uncertainty (continued)

4.2 Unlisted investments

In valuing unlisted investments which form part of the financial assets of the Company, key assumptions and judgements are applied in determining the weighted average cost of capital ("WACC"), terminal growth rate ("TGR"), capital structure, market interest rates, earnings before interest, taxation, depreciation and amortisation ("EBITDA") and capitalisation rates to be used in the Sum of the Parts Valuation ("SOTP").

The basis for valuing unlisted investments is fair value. At the reporting date, an assessment is made of the value of each investment to determine any changes required in the fair value of the investments. Judgement is applied in identifying the most appropriate valuation method to determine the fair value of each investment. The Company considers the different valuation methods ranging from the earnings multiple method, the earnings yield method and the discounted cash flow method. The Company has applied the discounted cash flow methods for all its equity investments. This ensures consistency and comparability across different investments across the two segments.

The Company uses a sum of the parts ("SOTP") valuation method, where all the different investee company businesses, properties and loans to group companies held are valued separately and then added together, less any net debt in order to calculate the total value of the investee company. The cash flows of the different businesses are valued using a discounted cash flow ("DCF") method, whilst the properties are valued on the capitalisation rate method and the loans to group companies are discounted using fair market rates. This valuation approach is applied on an investment-by-investment basis across all portfolio assets.

The discounted cash flow method is used to derive the enterprise value of each investment using reasonable assumptions that are supported by external, third party inputs where applicable. Such inputs include market yields on corporate bonds, economic growth estimates provided by the SA Reserve Bank and estimations of inflation rates over the investment horizon. In deriving the enterprise value, judgement is applied in estimating future post-taxation cash flows and the terminal value (free cash flows available to the Company), and then discounting to the present value by applying an appropriate risk-adjusted rate that captures the risk inherent to the Company's projected WACC.

To provide an illustration of the sensitivity of the recognised fair values to changes in inputs, the Company has identified key inputs used in computing the DCF valuations and provided a sensitivity analysis based on changes – both favourable and unfavourable – to the inputs. The details of significant inputs are included in note 6.

Fair values of unlisted financial instruments are disclosed as level 3 in the fair value hierarchy since they have unobservable inputs and the valuation requires greater judgement and estimation in determining appropriate valuation assumptions and obtaining relevant and reliable inputs. The unobservable inputs applied do however reflect the assumptions that a market participant would apply when determining the pricing for the same assets.

4.3 Loans to related parties

When advancing and valuing loans to related parties, the Company considers the following factors:

- The purpose of the loan including the growth and expansion opportunities identified by the investee companies;
- The capacity of the investee companies to service the loans;
- Term of the loan;
- Market interest rate for purposes of valuing the loans; and
- The current portion of loans to group companies, which is based on the loan model, is equal to the sum of anticipated repayments for the next 12 months.

4.4 Deferred tax asset on assessed losses

Deferred tax assets are measured to the extent it is probable that taxable income will be available in the future against which the assets can be utilised. The forecast profit and cash flows are utilised in the assessment of the recoverability of deferred tax assets. Management also exercises judgement in assessing the likelihood that the business plans will be achieved and that the deferred tax assets are recoverable.

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Notes to the Annual Financial Statements (continued)

5 Material accounting policies

5.1 Financial instruments

5.1.1 Recognition and classification

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instruments.

Non-derivative financial instruments

Non-derivative financial instruments comprise investments in equity securities, trade and other receivables, cash and cash equivalents, loans to related parties, other payables and borrowings.

Financial assets

The Company classifies its financial assets on the basis of the entity's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets.

As an investment entity, the Company's financial assets relate to investments in subsidiaries and its associates.

The Company classifies financial assets as held at amortised cost only if both of the following criteria are met:

- the asset is held within a business model whose objective is to collect the contractual cash flows; and
- the contractual terms give rise to cash flows that are solely payments of principal and interest.

Financial assets which do not meet the requirements to be classified as financial assets held at amortised cost are carried at fair value through profit or loss. Due to the Company's business model of managing its loans to group companies – which is not to collect contractual cash flows made up of principal and interest – the loans to related parties are classified at fair value through profit or loss.

Financial assets that are classified as held for sale are presented under current assets in the statement of financial position.

At 28 February 2025, the Company's financial assets comprised of the following:

- Investments in subsidiaries and associates - at fair value through profit or loss;
- Loans to related parties - at fair value through profit or loss;
- Other receivables - at amortised cost; and
- Cash and cash equivalents - at amortised cost.

Financial liabilities

The Company classifies financial liabilities as financial liabilities measured at amortised cost.

5.1.2 Initial measurement

Financial instruments are initially measured at fair value. Transaction costs for financial instruments that are not at fair value through profit or loss, are included in the initial measurement of the instrument.

Transaction costs on financial instruments at fair value through profit or loss are recognised in finance costs.

Transaction costs associated with the issue of the Company's own equity instruments are set off against the proceeds from the issue of equity instruments.

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Notes to the Annual Financial Statements (continued)

5. Accounting policies (continued)

The transaction price of the consideration received or given in exchange for a financial instrument, is generally regarded as the fair value of the financial instrument. However, the Company occasionally provides financial support to investee companies on terms that are different from market-related terms. When the fair value of the financial instrument differs from the transaction price at initial recognition, the Company accounts for the Day 1 gain or loss as a deferred gain or loss in line with IFRS 9. For transactions involving investee companies, the deferred gains are presented as an adjustment to the carrying amount of the investment.

5.1.3 Subsequent measurement

Financial assets and financial liabilities are subsequently measured in accordance with the initial classification category.

- At fair value through profit or loss - Interest income, Dividend income and Fair value gains and losses on financial assets are recognised in the statement of profit or loss as part of total investment income.
- Financial assets classified at amortised cost are subsequently measured using the effective interest method with interest recognised in interest income, less any expected credit impairment losses which are recognised as part of credit impairment charges.
- Financial assets that have been earmarked for disposal are classified as held for sale and measured at fair value in line with IFRS 9 and IFRS 5.
- Financial liabilities are subsequently measured at amortised cost, using the effective interest method.
- Day 1 gains and losses will be fully derecognised once loans are fully repaid.

Impairment of financial assets

The impairment model is applied only on financial assets measured at amortised cost. The Company measures its financial assets at fair value through profit or loss with the exception of other receivables and cash and cash equivalents which are both measured at amortised cost.

The Company recognises a loss allowance for expected credit losses (ECLs) on other receivables. The Company measures loss allowances at an amount equal to the 12-month ECLs. To measure the expected credit losses, other receivables have been grouped based on shared credit risk characteristics and the number of days past due. When determining whether the credit risk of other receivables has increased significantly since initial recognition and when estimating ECLs, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort.

Measurement and recognition of expected credit losses

The measurement of expected credit loss is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information. The exposure at default is the gross carrying amount of the amount receivable at the reporting date.

An impairment gain or loss is recognised for all loans in profit or loss with a corresponding adjustment to their carrying amount through a loss allowance account.

Due to the short-term nature of the cash and cash equivalents, and the fact that all counter parties are well established financial institutions with a good credit rating, no credit losses are estimated for the cash balances. Refer to note 27.2.

5.1.4 Derecognition of financial instruments

Derecognition of financial assets

The Company derecognises a financial asset when:

- The contractual rights to the cash flows from the financial asset expires; or

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Notes to the Annual Financial Statements (continued)

5. Accounting policies (continued)

- the financial asset is transferred resulting in the transfer of substantially all the risk and rewards of ownership and the Company no longer retains control of the asset.

Derecognition of financial liabilities

The Company derecognises a financial liability when the obligation per the contract has been fulfilled, cancelled or expired. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

5.2 Cash and cash equivalents

Cash and cash equivalents comprise cash and short-term bank deposits with an original maturity of three months or less.

Cash and cash equivalents are classified as subsequently measured at amortised cost.

5.3 Other receivables

Other receivables are initially measured at fair value which approximates the transaction price.

Other receivables are subsequently measured at amortised cost, and derecognised upon settlement by the counterparty.

5.4 Loans to related parties

The Company classifies financial assets as subsequently measured at amortised cost, fair value through other comprehensive income or fair value through profit or loss on the basis of both the entity's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets.

The Company provides loans to investee companies based on the needs to fund critical projects at the investee companies. In providing the loans, the Company regards the financial assistance as a necessary intervention in ensuring that the investee companies can maximise returns, which in turn, improves the generation of investment income and capital appreciation for the Company. The intention of the Company is not primarily the recovery of the contractual cashflows (capital and interest), but mainly to facilitate growth capital to investee companies for expansion purposes. In line with its strategy of monitoring the performance of the investee companies on a fair value basis, the Company measures the loans advanced to investee companies as financial assets at fair value through profit or loss.

Beyond initial measurement, the fair value of each is determined by applying the discounted cash flow method.

This is primarily due to the fact that the measurement of the loans at fair value is more reflective of the way the Company measures and monitors its investments in its indirectly held associates and subsidiaries. Additionally, the focus on the evaluation and management of the performance of its associates and subsidiaries, rather than the nature of the loans advanced to the investee companies, results in more relevant information for the Company and its shareholders.

5.5 Unlisted investments

The Company's unlisted investments are investments in subsidiaries. As the Company is an investment entity the subsidiaries are not consolidated.

Beyond initial measurement, the Company determines the fair value of each investment on a continuous basis. The valuation techniques applied to the valuation of each investment incorporate level 3 inputs. IFRS 13 identifies a hierarchy of fair value inputs depending on the nature and source of the inputs used to determine the fair value of a recognised financial asset or liability. The Company applies this criteria in its fair value disclosures for unlisted investments. The allocation of a valuation input into the fair value hierarchy is determined on the level of the lowest level input that is significant to the fair value measurement in its entirety. Fair value changes are accounted for in profit or loss for the year as net gains or losses on financial assets at fair value through profit or loss. A summary of the unlisted investments is contained in note 6.

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Notes to the Annual Financial Statements (continued)

5. Accounting policies (continued)

5.6 Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognised at the proceeds received, net of direct issue costs.

5.7 Income tax

Income tax represents current and deferred tax. Current and deferred taxes are recognised in profit and loss except to the extent that the taxes related to a business combination, or items recognised directly in equity.

5.7.1 Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received that reflects uncertainty related to income taxes, if any. It is measured using tax rates enacted or substantively enacted at the reporting date.

5.7.2 Deferred tax

Deferred tax is recognised on the temporary differences between the carrying amounts of assets and liabilities in the annual financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Such deferred tax liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. A deferred tax asset is recognised for unused tax losses and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax liabilities reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to taxes levied by the same tax authority, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

5.8 Total Investment income

The Company's total investment income is made up of dividends, interest and fair value gains or losses on financial assets:

- Interest income (interest income from loans to related parties and interest income from bank balances) is recognised in profit or loss;
- Fair value movements through profit or loss consist of fair value gains or losses from financial assets measured at fair value through profit or loss, these are recognised on a bi-annual basis, using a suitable valuation methodology; and
- Dividend income (dividend income from investments in financial instruments) is recognised in profit or loss. Dividends are recognised when a dividend declaration has been appropriately authorised and no longer at the discretion of the entity.

5.9 Other income

Other income is mainly made up of board fees and administrative costs recovered which are recognised on the accrual basis.

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Notes to the Annual Financial Statements (continued)

5. Accounting policies (continued)

5.10 Segment reporting

The Company's Executive Committee – made up of the Chief Executive Officer ("CEO"), the Chief Financial Officer ("CFO"), the Chief Investment Officer ("CIO"), and all operational executives – fulfils the role of the chief operating decision maker ("CODM"). The Executive Committee has been allocated the responsibility to continuously monitor the various components of the business and allocate capital and strategic resources based on the performance of each component. The Committee achieves this through reporting internally on each component on a quarterly basis.

The Executive Committee – as the CODM – has identified the following components as operating segments both for management and external reporting purposes:

- Healthcare segment – focusing on investments in healthcare infrastructure, healthcare technology, and property companies; and
- Financial services segment – focusing on investments in insurance and financial services relating to healthcare.

The reporting segments have been identified giving consideration to the industry of the underlying investments. Furthermore, discrete financial information is prepared and evaluated by the CODM in relation to the two segments identified.

The CODM regularly reviews the operating results of the healthcare and financial services segments and allocates resources based on the results of the reviews. In line with the exemption from consolidation and applying equity accounting, the Company does not account for associates in each segment using the equity method. Such investments are accounted for at fair value.

The financial performance and financial position of each segment have been disclosed in note 28.

5.11 Lease liabilities

The Company is a party to a lease contract relating to its office buildings.

Leases are accounted for by recognising a right-of-use asset and a lease liability unless they are regarded as short-term leases (less than 12 months) or leases of low-value assets. Assets with an underlying value of R0.5 million when new are considered to be low-value assets.

At the inception of each new contract where the Company is a party to the contract, an assessment is undertaken to assess whether the contract contains a lease. In assessing the contract, the Company considers whether the contract conveys the right to control the use of an identified asset. This assessment includes the following factors:

- Whether the contract involves the use of an asset explicitly identified in the contract. The asset must be physically distinct or represent substantially all the capacity of the asset
 - Whether the Company has the right to obtain substantially all the economic benefits from the use of the asset throughout the period of use; and
 - Whether the Company has the right to direct the use of the asset.
- Once a lease is identified, the Company recognises and measures the lease by recognising a right-of-use asset and a lease liability as follows:

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Notes to the Annual Financial Statements (continued)

5. Accounting policies (continued)

5.11 Lease liabilities

	Right-of-use Asset	Lease liability
Initial measurement	The right-of-use asset is initially measured at an amount equal to the lease liability plus initial direct costs incurred by the Company.	The lease liability is initially measured at the present value of contractual payments due over the lease term. The discount rate used to discount the gross contractual payments to the present value is the incremental borrowing rate at the date of commencing the lease agreement
Subsequent measurement	The Company applies the cost model for the right-of-use asset recognised under the lease. The right-of-use asset is depreciated on a straight-line basis over the lease term. Depreciation is recognised in profit or loss.	After initial recognition, the lease liability increases as a result of finance costs - computed with reference to the interest rate per the lease agreement - and the lease liability is reduced by the value of any lease payments made. The finance costs are recognised as an interest expense over the time of the lease.
Termination of lease	When the lease is terminated, the remaining balance on the right-of-use asset and lease liability are immediately derecognised. Any differences between the right-of-use asset and lease liability is recognised as a derecognition gain or loss in the determination of profit or loss for the year.	

Details on leases entered into by the Company are disclosed in notes 8 and 9.

5.12 Property, plant and equipment

Property, plant and equipment are tangible assets which the Company holds for its own use and which are expected to be used for more than one year.

Property, plant and equipment is initially measured at cost and subsequently carried on the cost model. Cost includes all of the expenditure which is directly attributable to the acquisition or construction of the asset.

The useful lives of items of property, plant and equipment have been assessed as follows:

<i>Item</i>	<i>Depreciation method</i>	<i>Useful life</i>
Furniture and fixtures	Straight line	5 years
Right-of-use asset - (buildings)	Straight line	5 years (lease-term)
Computer equipment	Straight line	3 years

The residual value, useful life and depreciation method of each asset are reviewed at the end of each reporting period. If the expectations differ from previous estimates, the change is accounted for prospectively as a change in accounting estimate.

Impairment tests are performed on property, plant and equipment when there is an indicator that they may be impaired. When the carrying amount of an item of property, plant and equipment is assessed to be higher than the estimated recoverable amount, an impairment loss is recognised immediately in profit or loss to bring the carrying amount in line with the recoverable amount.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its continued use or disposal. Any gain or loss arising from the derecognition of an item of property, plant and equipment, determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item, is included in profit or loss when the item is derecognised.

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	2025 R	2024 R
6. Financial assets at fair value through profit or loss		
Opening balance	1 093 024 399	830 444 756
Advances: non-cash	-	6 640 843
Repayments: in cash	(2 917 824)	-
Advances: in cash	33 349 365	20 361 539
Disposals*	-	(14 000 000)
Fair value gains	62 241 807	249 577 261
	<u>1 185 697 747</u>	<u>1 093 024 399</u>
Classification		
Financial assets held for sale	-	-
Non-current assets	<u>1 185 697 747</u>	<u>1 093 024 399</u>

The Company's investments are primarily unlisted entities that are operating in South Africa. The investments are measured at fair value through profit or loss. The investments under RHBO have been designated into healthcare investments portfolio and investments under RHFS have been designated into financial services investments portfolio.

**During the year ended 28 February 2023, the investment in Phelang Bonolo Healthcare Procurement and Management Proprietary Limited ("PBHPM") was sold for R14 million. R8.2 million of the selling price has been received to date. The remaining balance of R5.8 million is due and expected to be received during the 2026 financial year. This has been classified as other receivables. Refer to note 10.*

Investments in unlisted equity instruments – summary

2025

R	Opening balance	Advances	Disposals	Fair value changes*	Closing balance
RHFS	6 983 324	451 604	-	(4 434 928)	3 000 000
RHBO*	1 086 041 075	29 979 937	-	66 676 735	1 182 697 747
	1 093 024 399	30 431 541	-	62 241 807	1 185 697 747

2024

R	Opening balance	Advances	Disposals	Fair value changes*	Closing balance
RHFS	9 288 060	1 070 288	-	(3 375 024)	6 983 324
RHBO*	821 156 696	25 932 094	(14 000 000)	252 952 285	1 086 041 075
	830 444 756	27 002 382	(14 000 000)	249 577 261	1 093 024 399

**RHBO includes a day 1 deferred gain of R5.8 million (2024 : R5.8 million) recognised on loans provided in note 7. Loans provided to the investee companies are regarded as transactions between equity participants and the resultant Day 1 gains and losses are presented as an adjustment to the carrying amount of the investments.*

The valuation of the investments in unlisted investments relies on various unobservable inputs that are sensitive to changes that would affect the recognised value of the investments in the annual financial statements. To aid stakeholders to understand the significant unobservable inputs that influence the valuation process, the company has identified the key inputs used in the valuations. A sensitivity analysis on these inputs has been prepared and disclosed in order to illustrate the potential impact of the changes to these inputs on the amounts recognised in the financial statements. Refer to note 6.2.

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6.1 Summary of significant indirect investments

2025

Entity	Description	Economic interest	Fair value at year end (R)	Cost (R)	Proportion of net assets (R)***	WACC (Post-Tax)	Proportion of total investments	Income earned from investment (R)****
Investments held through the unlisted equity instruments*								
Africa Healthcare	Operates and owns hospitals	100%	381 674 576	122 500 000	68 783 227	17.60%	32%	15 186 736
Rondebosch Medical Centre	Hospital services	100%	195 134 995	143 700 000	(309 725 850)	19.14%	16%	825 642
Medicare Hospital**	Hospital services and investment property	54%	214 658 015	123 500 000	119 535 519	18.30%	18%	-
MMed Distribution Services	Pharmaceutical	100%	185 016 864	1	22 542 283	17.42%	16%	-
Vryburg Hospital	Hospital services	81%	68 109 851	43 852 435	34 443 646	18.82%	6%	-

All entities are incorporated in South Africa.

**Each of the investments listed here contributes at least 5% to the total value of the investments at fair value through profit or loss.*

***The Company holds 54% in McGilliewie Proprietary Limited which is the operating company of Medicare Hospital and 50,1% in Magnacorp Proprietary Limited which is the property company.*

****The proportion of net assets relates to the Company's share of the net asset value of the investee company as determined using the investee company's management accounts. The net asset values of investee companies are unaudited.*

*****The income is made up of dividends and interest received by the Company through its investee companies.*

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2024

Entity	Description	Economic interest	Fair value at year end (R)	Cost (R)	Proportion of net assets (R)***	WACC (Post-Tax)	Proportion of total investments	Income earned from investment (R)
Investments held through the unlisted equity instruments*								
Africa Healthcare	Operates and owns hospitals	100 %	374 851 120	122 500 000	49 270 372	18.93%	34%	8 076 000
Rondebosch Medical Centre	Hospital services	100 %	233 194 113	143 700 000	(84 743 545)	18.79%	21%	1 145 000
Medicare Hospital**	Hospital services and investment property	54 %	202 316 560	123 500 000	98 304 328	18.93%	19%	12 920 498
MMED Distribution Services	Pharmaceutical	100 %	158 148 356	1	2 429 691	19,65%	14%	4 000 000

**Each of the investments listed here represents at least 5% of the total value of the investments at fair value through profit or loss.*

***The Company holds 54% in McGilliewie Proprietary Limited which is the operating company of Medicare Hospital and 50,1% in Magnacorp Proprietary Limited which is the property company. In the prior period it was shown as 51%.*

****The net asset values of investee companies are unaudited.*

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6.2 Sensitivity analysis

The ranges (and absolute values) used for the key unobservable inputs are as follows:

Input	Range used (2025)	Range used (2024)
Capitalisation rate	10% to 12%	10% to 12%
TGR (Terminal Growth rate)	4.5% to 5%	4.50%
WACC (Weighted Average Cost of Capital)*	17.4% to 19.8%	16.9% to 20.2%
EBITDA (Earnings before interest, taxation, depreciation and amortisation)**	19% to 42%	8% to 31%
Market interest rate	11% to 11.25%	11.75% to 13.25%

**A risk adjustment factor is incorporated in the calculation of WACC for each investment, which factors the planned growth projections and any market uncertainty.*

***The disclosures relating to EBITDA are based on a five-year compounded annual growth rate and have been provided as part of the enhanced reporting on the sensitivity analysis for investments.*

Explanation of key valuation inputs and possible impact of changes in inputs:

Significant unobservable input	Current unit of measurement	Favourable changes	Unfavourable changes
Capitalisation rate #	10% to 12%	Decrease by 50 basis points, will result in an increase in the value of investments at year-end.	Increase by 50 basis points, will result in a decrease in the value of investments at year-end.
Terminal Growth rate	4.5% to 5%	Increase by 50 basis points, will result in an increase in the value of investments at year-end.	Decrease by 50 basis points, will result in a decrease in the value of investments at year-end.
WACC (range)	17.4% to 19.8%	Decrease by 50 basis points, will result in an increase in the value of investment at year-end.	Increase by 50 basis points, will result in a decrease in the value of investments at year-end.
EBITDA (Using the five-year compounded annual growth rate on EBITDA)	19% to 42%	Increase by 250 basis points, will result in an increase in the value of investments at year-end.	Decrease by 250 basis points, will result in a decrease in the value of investment at year-end.
Market interest rate (Prime rate 11%) (for loans to group companies)	11% to 11.25%	Decrease by 50 basis points, will result in an increase in the loan balance at year-end.	Increase by 50 basis points, will result in a decrease in the loan balance at year-end.

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The sensitivity analysis relating to the terminal growth rate was applied on the combined terminal value for significant investments as presented in Note 6.1 of R673 097 566 (2024: R618 325 452). The terminal value range used in 2025 was between R41 million and R207 million and a range of between R96 million and R214 million used in 2024. The terminal value range is only presented for significant assets as presented in note 6.1.

The Company does not expect the unobservable inputs to fluctuate by more than 50 basis points on the capitalisation rate, terminal growth rate, weighted average cost of capital and market interest rates and 250 basis points on earnings before interest, tax, depreciation and amortisation. These ranges were deemed acceptable for the purposes of computing the sensitivity analysis.

	2025		2024	
Significant unobservable input	Favourable changes (+)	Unfavourable changes (-)	Favourable changes (+)	Unfavourable changes (-)
Capitalisation rate*	11 628 686	(10 625 288)	16 915 667	(15 452 531)
Terminal growth rate	23 226 526	(21 690 868)	20 929 591	(19 539 219)
WACC	36 437 911	(34 011 088)	32 782 552	(30 590 331)
EBITDA	26 024 682	(26 024 682)	23 858 945	(23 858 945)
Total	97 317 805	(92 351 926)	94 486 755	(89 441 026)
Current fair value as at year end	1 185 697 747	1 185 697 747	1 093 024 399	1 093 024 399
Fair value after accounting for cumulative effect of possible changes in key inputs	1 283 015 552	1 093 345 821	1 187 511 154	1 003 583 373

**The capitalisation rate is used in the valuation of properties.*

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6.3 Sensitivity analysis: Properties

Included in some of the investment balances are amounts relating to properties that were acquired as part of the investee companies. The capitalisation rate used to value each property is a significant unobservable input. An increase in the capitalisation rate results in a decrease in the fair value of the property and – by extension – the fair value of the investment. A decrease in the capitalisation rate results in an increase in the fair value of the property and – by extension – the fair value of the investment.

The sensitivity analysis relating to the property component of each investment with a fair value that has a property element is as follows:

Investments with a property component	Total fair value at year-end (R)	Property value included in valuation (R)	Residual	Capitalisation rate	Changes in capitalisation rate (R)	
					Favourable (-50 bps)	Unfavourable (+50 bps)
2025						
Africa Healthcare*	381 674 576	64 000 000	347 198 130	11 - 12.5%	2 960 278	(2 723 456)
Vryburg Private Hospital	68 109 851	24 300 000	43 809 851	11%	1 146 589	(1 046 886)
Medicare Private Hospital	214 658 015	211 379 200	103 782 625	11%	5 042 904	(4 604 390)
RH Bell Clinic	36 718 732	35 000 000	1 718 732	10%	1 829 772	(1 655 508)
Fauchard Clinic	13 000 000	13 000 000	-	11.5%	649 143	(595 048)

*Africa Healthcare consists of two properties, St Helena Property (R53 million) applying a capitalisation rate of 11% and Fochville Property (R11 million) applying a capitalisation rate of 12.5%.

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Investments with a property component	Total fair value at year-end (R)	Property value included in valuation (R)	Residual	Capitalisation rate	Changes in capitalisation rate (R)	
					Favourable (-50 bps)	Unfavourable (+50 bps)
2024						
Africa Healthcare*	374 851 120	69 000 000	305 851 120	12%	2 960 278	(2 723 456)
Vryburg Private Hospital	41 669 639	24 300 000	17 369 639	11%	1 146 589	(1 046 886)
Medicare Private Hospital	202 316 560	112 224 000	90 092 560	11%	5 040 527	(4 602 220)
RH Bell Clinic	15 347 494	35 000 000	(19 652 506)	10%	1 829 772	(1 655 508)
Fauchard Clinic	13 999 385	14 000 000	(615)	11,5%	649 143	(595 048)

*Africa Healthcare consists of two properties. St Helena Property (R58 million) and Fochville Property (R11 million) both with a capitalisation rate of 12%.

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6.4 Sensitivity analysis – significant investments in unlisted equities

The table below reflects the potential effect of changes in significant unobservable inputs that affect the valuation of the company’s most significant financial assets (each making up at least 5% of the total investments). As the investments are held at fair value through profit or loss; the changes – if they materialised – would be reflected in the statement of profit or loss.

2025

Significant unobservable input		WACC		EBITDA		TGR	
Investments in unlisted shares held through subsidiaries	Total fair value at year-end	Favourable -50 bps	Unfavourable +50 bps	Favourable +250 bps	Unfavourable -250 bps	Favourable +50 bps	Unfavourable -50 bps
Africa Healthcare	381 674 576	13 549 642	(12 637 511)	9 840 241	(9 840 241)	8 678 212	(8 097 582)
Medicare Private Hospital	214 658 015	6 058 722	(5 650 965)	4 716 691	(4 716 691)	3 882 583	(3 622 812)
Rondebosch Medical Centre	195 134 995	5 699 163	(5 312 508)	4 530 788	(4 530 788)	3 653 482	(3 406 396)
MMed Distribution Services	185 016 864	8 135 485	(7 609 013)	5 069 674	(5 069 674)	5 125 435	(4 797 855)
Vryburg Hospital	68 109 851	2 994 898	(2 801 089)	1 866 288	(1 866 288)	1 866 815	(1 766 224)

2024

Significant unobservable input		WACC		EBITDA		TGR	
Investment in unlisted shares held through subsidiaries	Total fair value at year-end	Favourable -50 bps	Unfavourable +50 bps	Favourable +250 bps	Unfavourable -250 bps	Favourable +50 bps	Unfavourable -50 bps
Africa Healthcare	374 851 120	13 307 406	(12 411 857)	9 664 320	(9 664 318)	8 523 066	(7 952 816)
Medicare private Hospital	202 316 560	5 710 384	(5 326 073)	4 445 511	(4 445 510)	3 659 359	(3 414 523)
Rondebosch Medical Centre	233 194 113	6 810 728	(6 348 659)	5 415 668	(5 415 668)	4 366 057	(4 070 779)
MMed Distribution Services	158 148 356	6 954 034	(6 504 018)	4 333 446	(4 333 448)	4 381 109	(4 101 101)

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6.5 Investment portfolio - reconciliation of movements during the year

The table below has been provided as part of section 15 of the JSE Listings Requirements.

2025 RHBO portfolio

Subsidiaries	Opening balance R	Advances to/ (receipts) from	Disposals	Fair value changes	Closing balance R
Africa Healthcare	374 851 120	-	-	6 823 456	381 674 576
Vryburg Private Hospital	41 669 639	(300 000)	-	26 740 212	68 109 851
Medicare Private Hospital	202 316 560	-	-	12 341 455	214 658 015
RH Bell Clinic	15 347 494	450 000	-	20 921 238	36 718 732
Fauchard Clinic	13 999 385	1 615 382	-	(2 622 836)	13 000 000
Rondebosch Medical Centre	233 194 113	(1 000 000)	-	(37 059 119)	195 134 995
Dorama Investments	1	-	-	2 799 999	2 800 000
Mmed Distribution	158 148 356	8 000 000	-	18 886 809	185 016 864
Razohealth	22 760 864	6 619 622	-	7 688 263	37 068 749
Ambit Health	12 265 704	439 012	-	1 177 566	13 882 282
Renal Healthcare Africa	-	8 341 270	-	11 494 976	19 836 246
Locumbase	-	-	-	-	-
	1 074 553 236	24 173 355	-	69 173 719	1 167 900 310
RHBO	11 487 839	5 806 582	-	(2 496 984)	14 797 437
	1 086 041 075	29 979 937	-	66 676 735	1 182 697 747

2025 RHFS portfolio

Subsidiaries					
Wesmart	6 983 324	451 604	-	(4 434 928)	3 000 000
	6 983 324	451 604	-	(4 434 928)	3 000 000

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2024 RHBO portfolio

Subsidiaries	Opening balance R	Advances R	Disposals R	Fair value changes R	Closing balance R
Africa Healthcare	292 538 665	-	-	82 312 455	374 851 120
Vryburg Private Hospital	35 630 586	1 000 000	-	5 039 053	41 669 639
Medicare Private Hospital	221 316 462	-	-	(18 999 902)	202 316 560
RH Bell Clinic	17 645 988	-	-	(2 298 494)	15 347 494
Fauchard Clinic	13 209 454	1 120 000	-	(330 069)	13 999 385
Rondebosch Medical Centre	224 325 090	6 000 000	-	2 869 023	233 194 113
Dorama Investments	1	2 007 000	-	(2 007 000)	1
Mmed Distribution	-	4 776 903	-	153 371 453	158 148 356
Razohealth	-	125 448	-	22 635 416	22 760 864
Ambit Health	-	1 075 000	-	11 190 704	12 265 704
PBHPM*	14 000 000	-	(14 000 000)	-	-
Locumbase	757 333	-	-	(757 333)	-
	819 423 579	16 104 351	(14 000 000)	253 025 306	1 074 553 236
RHBO	1 733 117	9 827 743	-	(73 021)	11 487 839
	821 156 696	25 932 094	(14 000 000)	252 952 285	1 086 041 075

2024 RHFS portfolio

Subsidiaries					
Wesmart	9 291 812	1 056 537	-	(3 365 025)	6 983 324
Generic Insurance	-	-	-	-	-
Other	(3 752)	13 752	-	(10 000)	-
	9 288 060	1 070 288	-	(3 375 025)	6 983 324

*Phelang Bonolo Healthcare Procurement and Management Proprietary Limited (PBHPM) was disposed of in the 2024 financial year.

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	2025 R	2024 R
7. Loans to related parties		
Opening balance	44 830 727	48 216 586
Advances	-	916 404
Repayments - received in cash*	(4 474 587)	(2 000 000)
Repayments - non cash**	-	(2 007 000)
Interest accrued	5 445 277	5 688 539
Fair value adjustments	9 810 156	(5 983 802)
Closing balance***	<u>55 611 573</u>	<u>44 830 727</u>
Classification		
Current assets	4 560 662	8 029 086
Non-current assets	51 050 911	36 801 641
	<u>55 611 573</u>	<u>44 830 727</u>

*Loan repayments are first applied to accrued interest, repayments in excess of interest is then applied to the outstanding loan balance as a capital repayment. In the current year R2 963 707 (2024: R626 834) was recognised as a capital cash repayment. This is allocated on a loan by loan basis.

**A portion of the loan was converted to an equity investment in the prior year.

***Includes a day 1 deferred gain of R3.2 million (2024: R5.8 million) recognised on loans provided to these entities. Loans provided to the investee companies are regarded as transactions between equity participants and the resultant Day 1 gains and losses are presented as an adjustment to the carrying amount of the investments.

The classification between current and non-current assets is based on the expected date of settlement. Any amounts due within 12 months, which are made up of any capital and interest, are classified as current. The remainder is classified as non-current.

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	2025 R	2024 R
7.1 Reconciliation of loans to related parties held at fair value through profit or loss		
Africa Healthcare Proprietary Limited:		
Opening balance	2 963 707	6 378 640
Repayment	(3 150 443)	(4 007 000)
Interest accrued	186 736	879 852
Fair value adjustment	-	(287 785)
	<u>-</u>	<u>2 963 707</u>

The Company issued the loan to Africa Healthcare Proprietary Limited in June 2019 at 15% interest rate which was repayable over 5 years to enable Africa Healthcare Proprietary Limited to finance expansions. The loan was fully repaid in the current financial year.

Notamed Proprietary Limited (RH Bell Property Company)	41 867 020	41 837 946
Opening balance	-	916 404
Advances	(1 324 144)	-
Repayments	5 258 541	4 808 687
Interest accrued	9 810 156	(5 696 017)
Fair value adjustment	<u>55 611 573</u>	<u>41 867 020</u>

The Company issued the loan to Notamed Proprietary Limited in December 2019, and the loan has an effective interest rate of 10%. The loan is unsecured. The loan is repayable by March 2028 without any fixed instalments being agreed on. Capital repayments are expected to commence during the upcoming financial year.

7.2 Sensitivity analysis

Explanation of key valuation inputs and possible impact of changes in inputs.

The Company has a financial assistance policy that governs the provision of financial assistance to related parties. A key input – the interest charged on the financial assistance – is dependent on the profile of each entity and is regarded as an unobservable input. This input is central to the valuation of the loans provided to group companies. As a result, any change to this and other unobservable input would affect the recognised value of the loans in the financial statements. To aid stakeholders in understanding the possible impact of the change in significant inputs that influence the valuation process for the loans to related parties, the Company has prepared a sensitivity analysis based on changes –both favourable and unfavourable – to the inputs.

The table below reflects the potential effect of changes in significant unobservable inputs that affect the valuation of the Company's loans. As the loans are held at fair value through profit or loss; the changes – if they materialised – would be reflected in profit or loss.

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Loans at fair value through profit or loss

	2025		2024	
Significant unobservable input	Favourable changes (-50 bps)	Unfavourable changes (+50 bps)	Favourable changes (-50 bps)	Unfavourable changes (+50 bps)
Market interest rate: SA prime rate	717 435	(706 801)	340 779	(337 812)
Current fair value as at year end	55 611 573	55 611 573	44 830 727	44 830 727
Fair value after accounting for total effect of changes in inputs	54 894 138	54 904 772	45 171 506	44 492 915

8. Property, plant and equipment

	2025			2024		
	Cost	Accumulated depreciation	Carrying value	Cost	Accumulated depreciation	Carrying value
Right of use asset on buildings	3 816 806	(3 371 511)	445 295	3 816 806	(2 608 150)	1 208 656
Furniture and fixtures	591 408	(522 014)	69 394	591 408	(403 732)	187 676
Computer equipment	174 342	(88 151)	86 191	125 788	(34 719)	91 069
Total	4 582 556	(3 981 676)	600 880	4 534 002	(3 046 601)	1 487 401

Reconciliation of property, plant and equipment - 2025

	Opening balance	Additions	Depreciation	Total
Computer equipment	91 069	48 554	(53 432)	86 191
Furniture and fixtures	187 676	-	(118 282)	69 394
Right-of-use asset on buildings*	1 208 656	-	(763 361)	445 295
	1 487 401	48 554	(935 075)	600 880

Reconciliation of property, plant and equipment - 2024

	Opening balance	Additions	Depreciation	Total
Computer equipment	37 929	80 204	(27 065)	91 069
Furniture and fixtures	305 957	-	(118 281)	187 676
Right-of-use asset on buildings*	1 972 017	-	(763 361)	1 208 656
	2 315 903	80 204	(908 707)	1 487 401

The Company leases its office buildings in terms of a five-year non-cancellable lease which was entered into in 2020. On inception date, the Company recognised a right-of-use asset equal to the present value of the future lease payments of the lease liability. The Company uses the cost model in relation to its owned property, plant and equipment and the right-of-use asset.

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	2025 R	2024 R
9. Lease liabilities		
Lease liabilities have been included in the liabilities section on the statement of financial position.		
The lease liability relating to the lease contract for office buildings has been computed using the contractual lease payments and discounted at the incremental borrowing rate in the lease. The reconciliation of the lease liability for the year is as follows:		
Opening balance	1 447 423	2 270 037
Interest accrued	71 611	134 356
Total cash repayments	(1 035 194)	(956 970)
	<u>483 840</u>	<u>1 447 423</u>
Non-current liabilities	-	510 569
Current liabilities	483 840	936 854
	<u>483 840</u>	<u>1 447 423</u>

Right of use asset of the leased office building has been shown under property plant and equipment in note 8. Refer to note 27.1 for the maturity analysis of the lease liability.

10. Other receivables

Financial instruments:

Other receivable*	5 833 333	7 000 000
- Allowance for expected credit loss	(1 166 667)	-
Fees receivables	1 063 908	922 300
	<u>5 730 574</u>	<u>7 922 300</u>

Non-financial instruments:

Dividends receivable**	4 795 087	14 000 000
Prepayments	384 559	282 900
VAT receivable	343 227	82 861
	<u>5 522 873</u>	<u>14 365 761</u>
	<u>11 253 447</u>	<u>22 288 061</u>

*During the year ended 28 February 2023, the investment in Phelang Bonolo Healthcare Procurement and Management Proprietary Limited ("PBHPM") was sold for R14 million. R8.2 million of the selling price has been received to date. The remaining is due to be received during the 2026 financial year. Due to the delay in receiving the outstanding balance management raised an ECL due to the increased risk of non-recovery.

**Dividends receivable relate to the balance of unpaid dividends from RH Bophelo Operating Company that were declared during the year.

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	2025 R	2024 R
11. Taxation		
South African income tax - current year	-	-
Deferred taxation	15 785 002	49 568 135
	<u>15 785 002</u>	<u>49 568 135</u>
Normal tax reconciliation:		
Profit before tax	59 713 374	232 212 188
Tax at 27%	16 122 611	62 697 291
Tax effect of adjustments on taxable income		
Less gain on financial assets through profit or loss at standard tax rate	(3 890 806)	(13 154 047)
Add impact of non-deductible and apportioned expenses	8 588 472	5 102 732
Non-taxable income	(7 058 340)	(5 979 014)
Unrecognised deferred tax asset on tax loss*	2 023 065	901 173
Effective tax expense	<u>15 785 002</u>	<u>49 568 135</u>

*The estimated total amount of tax loss carried forward in the current year is R22.7 million (2024: R1.2 million).

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	2025 R	2024 R
12. Cash and cash equivalents		
Cash and cash equivalents consist of:		
Call account	9 826 923	24 530 929
Current account	-	849 616
Investment Account	20 190 866	29 349 106
Bank overdraft*	(9 989 895)	-
	<u>20 027 894</u>	<u>54 729 651</u>

*The Company has an overdraft facility of R20 million with First National Bank.

13. Stated capital

Authorised

10 000 000 000 "A" no par value ordinary shares with voting rights. (2024: 10 000 000 000 "A" no par value ordinary shares with voting rights).

1 "B" restrictive class of shares. (2024: 1 "B" restrictive class of shares.)

Issued

64 691 298 "A" ordinary shares with no par value (2024: 64 691 298 "A" ordinary share in issue)

1 "B" restrictive no par value class of shares held in issue (2024: 1 "B" restrictive no par value class of shares held in issue)

	2025 R	2024 R
Reconciliation of issued "A" shares		
Issued		
Balance at the beginning of the year	633 589 672	633 589 672
Balance at the end of the year	<u>633 589 672</u>	<u>633 589 672</u>
	Number of shares	Number of shares
Reconciliation of number of shares issued:		
Reported as at 01 March and 28 February	<u>64 691 298</u>	<u>64 691 298</u>
Reconciliation of issued "B" shares		
RH Bophelo Management Company Proprietary Limited	<u>1</u>	<u>1</u>

The dividend on the class B share is based on cumulative out-performance in the growth in the Company's net asset value. The baseline performance for the Company is a 10% growth in its net asset value. Growth in excess of this baseline triggers a declaration of the "B" share dividend. In the current year, the Net Asset Value increased by 4% (prior year: increase by 19%). Once the B share is approved, it becomes payable within 30 days. If the dividend is not paid within 30 days, it will accrue interest at prime plus 2% and class B shares will receive one voting right per B share until fully settled. B shares only receive voting rights when payment of the B shares dividend is outstanding for longer than 30 days.

The declaration of Class A dividends are completely voluntary and not dependent on Class B dividends being declared first.

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	2025	2024
	R	R

Capital risk management

The Company manages its capital in a manner that seeks to ensure that it can invest in entities that will assist in maximising returns to shareholders. The Company is committed to utilising both debt (note 15 for additional information) and equity in acquiring strategic investments, our target debt is 30%. The Company is not subject to any externally imposed capital requirements. There has been no change from prior period on how capital risk management is managed by the Company.

The Board through its Investment Committee reviews the capital structure on an annual basis. As part of this review, the committee considers the cost of capital and the risks associated with each form of capital. The company has a target gearing ratio of 30% determined as the proportion of net debt to equity. The gearing ratio at 28 February 2025 of 18.9% (2024: 17.6%) was below the target range and has remained below the target range since the reporting date.

The "B" class share with no par value will form part of the capital structure and any dividends declared will have an impact on the capital structure in subsequent years.

Net Asset Value (Rand)	1 078 261 828	1 034 333 455
Number of ordinary shares in issue	64 691 298	64 691 298
Net asset value per A ordinary share and tangible net asset value per ordinary share at year end (cents)	1666.8 cents	1598.9 cents

Net asset value per ordinary share and tangible net asset value per ordinary share is used as a measurement for trading statement purposes.

Net asset value per ordinary share and tangible net asset value per ordinary share increased by 4% in the current year (2024: increased by 19%).

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2025
R

2024
R

14. Deferred tax

The deferred tax assets and the deferred tax liability relate to income tax in the same jurisdiction, and the law allows net settlement. Therefore, they have been offset and the net amount reported in the statement of financial position. The net deferred tax liability is made up of the following temporary differences:

Fair value adjustments on financial assets at fair value through profit or loss	(124 120 379)	(108 247 942)
Expenses incurred related to capital purchases	2 452 873	2 132 933
Right of use asset	(120 229)	(326 337)
Lease liability	130 637	390 804
Prepaid expenses	(103 831)	(2 461)
Property, plant and equipment	7 536	84 612
Net deferred tax liability	<u>(121 753 393)</u>	<u>(105 968 391)</u>

Reconciliation of movement in deferred tax liability

At beginning of year	(105 968 391)	(56 400 257)
Increase in fair value gains on financial assets at fair value through profit or loss	(15 872 437)	(48 142 630)
Increase in expense incurred related to capital purchases	319 940	2 132 933
Decrease in right on use asset	206 108	206 107
Decrease in lease liability	(260 167)	(222 106)
Decrease / (increase) in prepaid expenses	(101 370)	1 413
Decrease in tax loss available for set off against future taxable income	-	(3 602 400)
(Increase)/decrease in property, plant and equipment	(77 077)	58 549
Balance at the end of the year	<u>(121 753 393)</u>	<u>(105 968 391)</u>

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	2025 R	2024 R
15. Borrowings		
Held at amortised cost		
Norsad Capital Limited	61 132 336	71 991 491
Reconciliation of movement in borrowings	<u>61 132 336</u>	<u>71 991 491</u>
Balance at the beginning of the year	71 991 491	102 508 533
Capital paid	(10 000 000)	(30 000 000)
Interest accrued during the year	10 352 136	17 063 377
Management fee	1 117 795	1 666 667
Early settlement fee	-	1 250 000
Finance costs paid	(12 329 084)	(20 497 086)
	<u>61 132 336</u>	<u>71 991 491</u>
Balance at the end of the year		
Classification		
Current liabilities	11 564 671	21 641 543
Non-current liabilities	49 567 665	50 349 948
	<u>61 132 336</u>	<u>71 991 491</u>

The Company entered into a loan agreement with Norsad Capital Limited for a total credit facility of R100 million. 60% of the capital amount is repayable in equal quarterly payments starting 30 September 2023. The remaining 40%, of which 25% has already been paid, is due as part of the the final repayment on the 30 June 2029.

Interest is payable quarterly in arrears at a floating rate of 7,5% plus 3 month JIBAR. The replacement rate of JIBAR is the ZARONIA. The current loan agreement with Norsad Capital Limited makes provision for an alternative rate, therefore, we don't foresee a renegotiation of the loan agreement will be required once the ZARONIA becomes effective.

The loan is secured by the Company's investments and first ranking mortgage bond over Fezinet Proprietary Limited trading as Vryburg Private Hospital ("Vryburg"), RH Bell Clinic Proprietary Limited ("RH Bell") and Fauchard Tandheelkundige Sentrum Proprietary Trading ("Fauchard") as well as second ranking over the mortgage bond over BMC Gilliwie Proprietary Limited ("Medicare").

All debt covenants have been met. Debt covenant is assessed and reported on at 31 August and 28 February.

16. Trade and other payables

Financial instruments:

Accounts payable	1 484 881	1 826 747
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Non-financial instruments:

Accrued expenses	-	792 732
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VAT accrual	10 075 263	-
	<u>11 560 144</u>	<u>2 619 479</u>

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	2025 R	2024 R
17. Total investment income		
Interest income from cash and cash equivalents	2 595 664	8 989 513
Interest income from loans to related parties**	5 445 277	5 688 539
Total interest income	8 040 942	14 678 052
Dividend income***	26 142 000	22 144 498
Fair value gains on financial assets at fair value through profit or loss*	62 241 807	249 577 260
Fair value gains/(losses) on loans to related parties**	9 810 156	(5 983 802)
Total fair value gains from financial assets at fair value through profit or loss	72 051 963	243 593 458

*Refer to note 6 for full detailed reconciliation.

**Refer to note 7 for full detailed reconciliation.

***Dividend income relates to dividends received from RHBO, refer to related parties note 21.

18. Other income

Directors fees*	-	69 000
Company cost recoveries	206 691	342 000
Support services**	5 444 013	4 029 429
	5 650 704	4 440 429

*Fees for Board participation in Rondebosch Medical Centre.

**This represents fees charged for the provision of managerial, infrastructural and support services to RHBO and RHFS.

19. Expenses

Total expenses included the following:

Marketing and advertising	465 600	144 000
Depreciation – Property, plant & equipment	171 714	145 346
Depreciation – Right-of-use Asset	763 361	763 361
Listing fees	313 319	1 035 509
Management fees*	6 792 121	7 423 601
Remuneration for non-executive directors	2 328 000	2 018 000
Employment costs - short term benefits	10 956 732	11 654 610
Recruitment fees	1 770	1 046 289
Financial reporting fees	427 962	860 862
External audit fees	1 844 460	2 617 750
Secretarial fees	1 468 534	1 611 662
Donations	385 816	257 391
Interest expense - lease liability	71 611	134 356
VAT apportionment adjustment	10 980 391	-
Interest on bank overdraft	309 557	-
Sundry expenses	3 421 355	2 951 469

*Management fees are 1% per quarter of the RH Bophelo's enterprise value, with adjustments of average share price for the year taking into consideration the debt and cash balances.

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20. Directors' remuneration

Remuneration paid to the Directors during the current period ended 28 February 2025 was as follows:

	For services as a director**	Remuneration	Bonus	Total
Quinton Zunga*	-	2 610 667	960 000	3 570 667
Colin Clarke*	-	2 250 000	720 000	2 970 000
Yondie Metu	-	2 514 197	400 000	2 914 197
David Sekete	307 000	-	-	307 000
Bojane Segooa	344 000	-	-	344 000
Thanyani Mashau	45 000	-	-	45 000
Romeo Makhubela	634 000	-	-	634 000
Samson Moraba	552 000	-	-	552 000
Fulufhelo Makwetla*	401 000	-	-	401 000
Carmen Mpelwane	45 000	-	-	45 000
	-	-	-	-
	2 328 000	7 374 864	2 080 000	11 782 864

**These Directors also form part of RH Bophelo Management Company (Pty) Ltd, the appointment and duration of service under the exclusive authority and governance prerogative of its Board. All remuneration amounts disclosed here are inclusive of any related-party payments to Directors, and no element of compensation remains unaccounted for. The directors have standard employment contract terms.*

***The fees earned by non-executive directors are for board and subcommittee meeting attendance.*

Remuneration was paid to the Directors during the 29 February 2024 period as follows:

	For services as a director**	Remuneration	Other short term employee benefits	Bonus	Total
Quinton Zunga*	-	2 399 748	-	1 000 000	3 399 748
Vuyokazi Nomvalo	-	640 799	-	750 000	1 390 799
Dion Mhlaba	-	1 783 048	68 978	1 000 000	2 852 026
Colin Clarke*	-	1 800 000	-	1 000 000	2 800 000
Yondie Metu	-	799 956	-	-	799 956
John Oliphant	157 000	-	-	-	157 000
Kgaogelo Ntshwana	150 000	-	-	-	150 000
David Sekete	285 000	-	-	-	285 000
Bojane Segooa	330 000	-	-	-	330 000
Romeo Makhubela	228 000	-	-	-	228 000
Samson Moraba	443 000	-	-	-	443 000
Fulufhelo Makwetla*	297 000	-	-	-	297 000
Lyndsay Maseko	128 000	-	-	-	128 000
	2 018 000	7 423 551	68 978	3 750 000	13 260 529

**The Directors are remunerated by RH Bophelo Management Company Proprietary Limited, remuneration for Executive Directors is made up of salaries that are short-term employee benefits. The directors have standard employment contract terms.*

***The fees earned by non-executive directors are for board and subcommittee meeting attendance.*

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21. Related parties

Related parties are entities with the ability to control the other party or exercise significant influence over such party in making financial and operating decisions, or anyone that is part of the key management personnel (including Directors) of the Company. Management considered the key agreements, transactions and relationships between the Company and other entities and has classified the entities listed below as a related party. The Company discloses all its relationships in investments that are owned directly and indirectly. Direct investments include investments that are owned by RH Bophelo and indirect investments include investments that are owned through investments of RHBO and RHFS. Where applicable, any transaction with a related party is disclosed below.

Direct subsidiaries

RH Bophelo Operating Company Proprietary Limited	100% shareholding unconsolidated subsidiary, cross directorship of Quinton Zunga, David Sekete and Yondie Metu
RH Financial Services Proprietary Limited	100% shareholding unconsolidated subsidiary, cross directorship of Dion Mhlaba and Colin Clarke

Relationships through direct subsidiaries

RH Bophelo Property Proprietary Limited	100% shareholding unconsolidated subsidiary held through RHBO, cross directorship of Dion Mhlaba and Colin Clarke
Africa Healthcare Proprietary Limited	100% shareholding unconsolidated subsidiary, cross directorship of Colin Clarke, David Sekete and Yondie Metu
St Helena Property Proprietary Limited	100% shareholding unconsolidated subsidiary held through RHBO
CFM Proprietary Limited	100% shareholding unconsolidated subsidiary held through RHBO
Fochville Hospital Proprietary Limited	100% shareholding unconsolidated subsidiary held through RHBO
Vryburg Holding Company Proprietary Limited	81% shareholding unconsolidated subsidiary held through RHBO, cross directorship of Colin Clarke and Yondie Metu
Henley Solution Proprietary Limited	81% shareholding unconsolidated subsidiary held through Vryburg Holding Company, cross directorship of Yondie Metu
Megafrack Proprietary Limited	100% shareholding unconsolidated subsidiary held through RHBO, cross directorship of Yondie Metu and Colin Clarke
Fauchard Tandheelkundige Sentrum Proprietary trading as Fauchard Day Clinic	100% shareholding unconsolidated subsidiary held through RHBO, cross directorship of Colin Clarke
RH Bell Clinic Proprietary Limited	100% shareholding unconsolidated subsidiary held through RHBO, cross directorship of Colin Clarke
Notamed Proprietary Limited	100% shareholding unconsolidated subsidiary held through RHBO
Bridger Proprietary Holdings Proprietary Limited	100% shareholding unconsolidated subsidiary held through Notamed
Fezinet Proprietary Limited trading as Vryburg Private Hospital	81% shareholding unconsolidated subsidiary held through Vryburg Holding Company, cross directorship of Colin Clarke

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Fenetiq Proprietary Limited	81% shareholding unconsolidated subsidiary held through Vryburg Holding Company, cross directorship of Colin Clarke and Yondie Metu
BMC Gilliwie Proprietary Limited trading as Medicare Private Hospital	54% shareholding unconsolidated subsidiary held through Megafrack, cross directorship of Colin Clarke
Magnacorp 84 Proprietary Limited	50.1% shareholding unconsolidated subsidiary held through Megafrack
Wesmart Financial and Administration Solution Proprietary Limited	60% shareholding unconsolidated subsidiary held through RHFS, cross directorship of Yondie Metu and Colin Clarke
Rondebosch Medical Centre Proprietary Limited	100% shareholding unconsolidated subsidiary held through RHBO, cross directorship of Yondie Metu and Colin Clarke
Dorama Investments Proprietary Limited	100% shareholding unconsolidated subsidiary held through RHBO, cross directorship of Colin Clarke
AHC Nursing College Proprietary Limited	100% shareholding unconsolidated subsidiary held through Dorama Investments, cross directorship of Colin Clarke
Platinum Private Hospital Proprietary Limited	100% shareholding unconsolidated subsidiary held through Dorama Investments, cross directorship of Colin Clarke
Gerijo EMS Proprietary Limited	100% shareholding unconsolidated subsidiary held through Dorama Investments, cross directorship of Colin Clarke
RMC Pharmacy Proprietary Limited	100% shareholding unconsolidated subsidiary held through Rondebosch Medical Centre, cross directorship of Yondie Metu
MMED Distribution Services Proprietary Limited	100% shareholding unconsolidated subsidiary held through RHBO, cross directorship of Colin Clarke
RHB Renal Care Proprietary Limited	74% shareholding unconsolidated subsidiary held through RHBO, cross directorship of Yondie Metu
Renal Africa Healthcare Proprietary Limited	51% shareholding unconsolidated subsidiary held through RHBO, cross directorship of Yondie Metu
Ambit Health Proprietary Limited	29% shareholding unconsolidated associate through RHBO
RazoHealth Radiology Proprietary Limited	60% shareholding unconsolidated joint venture held through RHBO
Locumbase Proprietary Limited	10% investment held through RHBO

Relationship with directors, shareholders and others

RH Bophelo Management Company Proprietary Limited	Cross directorship for the following directors in RH Bophelo Limited: Quinton Zunga, Colin Clarke and Fulufhelo Makwetla. Provides investment management services and holds the B-share
RH Managers Proprietary Limited	Cross directorship for the following directors in RH Bophelo Limited: Quinton Zunga and David Sekete (non-executive). The Company and RH Managers share an office space
RQ Capital Partners Proprietary Limited	Quinton Zunga (CEO) is the majority shareholder and holds 3% issued shares of the company

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Public Investment Corporation SOC Limited	Shareholder with significant influence
Medicare Practitioners Investment Holdings Proprietary Limited	Loan receivable to Medicare Private Hospital of R2.4 million

Related party balances reflected on the statement of financial position at year end

	2025	2024
	R	R
Loan accounts - Owning (to) by related parties		
Africa Healthcare Proprietary Limited	-	2 963 707
Notamed Proprietary Limited	55 611 573	41 867 020
	<u>55 611 573</u>	<u>44 830 727</u>

**Refer to note 7 for details of the terms of the loans.*

Amounts included in Other receivables due from related parties

Rondebosch Medical Centre Proprietary Limited	616 400	616 400
Africa Healthcare Proprietary Limited	90 275	87 400
RH Bell Clinic Proprietary Limited	65 550	65 550
Vryburg Hospital Proprietary Limited	65 550	65 550
Medicare Private Hospital Proprietary Limited	87 400	87 400
Wesmart Financial & Administration Solutions	138 733	-
	<u>1 063 908</u>	<u>922 300</u>

Dividends receivable

RH Bophelo Operating Company Proprietary Limited	4 795 087	14 000 000
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Related party transactions with impact on the statement of profit or loss

Interest received from related parties

African Healthcare Proprietary Limited	186 736	879 852
Notamed Proprietary Limited	5 258 542	4 808 687
	<u>5 445 278</u>	<u>5 688 539</u>

Dividend income received from related parties

RH Bophelo Operating Company Proprietary Limited	26 142 000	22 144 498
	<u>26 142 000</u>	<u>22 144 498</u>

Other income received from related parties

Rondebosch Medical Centre Proprietary Limited	-	145 000
Vryburg Private Hospital Proprietary Limited	-	57 000
Africa Healthcare Proprietary Limited	-	76 000
Medicare Private Hospital Proprietary Limited	-	76 000
RH Bell Clinic Proprietary Limited	-	57 000
RH Bophelo Operating Company Proprietary Limited	5 444 012	4 029 429
	<u>5 444 012</u>	<u>4 440 429</u>

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	2025 R	2024 R
Management fees paid to related parties		
RH Bophelo Management Company Proprietary Limited	6 792 121	7 423 601
	<u>6 792 121</u>	<u>7 423 601</u>
 Rent paid to related parties		
RH Managers Proprietary Limited	1 035 194	956 970
	<u>1 035 194</u>	<u>956 970</u>

22. Commitments and financial support

The Company provides financial support to investee companies in line with its policy on financial assistance. During the 2025 financial period, the financial support was provided in the form of debt funding.

The Company provided financial assistance to its unconsolidated subsidiaries through equity and loans.

- There are no restrictions on the loans.
- In line with the Company and group policy on loans to group companies, section 45 of the Companies Act is applied for each form of financial assistance approved within the group and between group companies.
- Currently the Company has no commitment to provide any of its subsidiaries with financial assistance, nor commitment to assist their subsidiaries in obtaining financial support.
- The Company has no contractual obligation to provide financial support to its subsidiaries for the next 12 months.
- There are no unfulfilled commitments at the reporting date.
- The Company may provide assistance to investee companies from time to time for the purposes of expansion.

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A summary of transactions for financial support are as follows:

2025

Name of subsidiary	Nature of financial support		Purpose for financial support
	Equity R	Loan R	
RH Financial Services Proprietary Limited	451 604		- Expansion
RH Bophelo Operating Company Proprietary	29 979 937		- Expansion
<i>Note</i>	6	7	

The Company had no outstanding loan commitments to investee companies in the current and prior period. The financial support is in the form of equity and therefore no restrictions exist.

2024

Name of subsidiary	Nature of financial support		Purpose for financial assistance
	Equity R	Loan R	
RH Financial Services Proprietary Limited	1 070 288		- Expansion
RH Bophelo Operating Company Proprietary	25 932 094		- Expansion
Notamed Proprietary Limited		916 404	Expansion
<i>Note</i>	6	7	

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23. Events after the reporting period

The directors are not aware of any other material event which occurred after the reporting date and up to the date of this report.

24. Contingent liabilities

There were no contingent liabilities at year end.

25. Going concern

In accordance with the solvency and liquidity test set out in section 4 of the Companies Act, the Board is of the opinion that, after assessing the information provided by management and making relevant enquiries regarding the integrity of projections and cash flows provided, it has a reasonable expectation that the Company has sufficient resources to maintain its operational existence for the foreseeable future. Furthermore, the directors have confirmed that:

- The Company's assets fairly valued exceed its liabilities fairly valued.
- The Company maintains a strong net asset value position of R1 078 261 828 (2024: R1 034 333 455) and a net current asset position of R12 233 348 (2024: R59 848 923).
- The Company will be able to pay its debts as they become due in the ordinary course of business for the 12 months up to 28 February 2026.

In addition to this assessment, the Directors have undertaken these additional steps and considered the following key factors in the assessment of the Company's status as a going concern:

- The Board - through the Audit and Risk Committee - has undertaken a detailed review of the going concern capability of the Company with reference to certain assumptions and plans underlying various internal cash flow forecasts. This review involved the interrogation of key estimations and projects underpinning the valuation of the Company's listed and unlisted investments. The Committee has indicated to the Board that the processes and methodologies applied in the valuation process are adequate to be used as the basis for the Company's going concern assessment.
During the period under review, both the National Assembly and the National Council of Provinces approved the National Health Insurance (NHI) Bill. The Bill now awaits the President's assent, after which an effective date will be determined.
- As a Company, we reaffirm our support for the NHI Bill and view its forthcoming implementation as a significant milestone in the ongoing transformation of South Africa's healthcare landscape. While we recognise the importance of this legislative development, we note that several key implementation details remain outstanding.
Accordingly, we do not anticipate any immediate or direct impact on our operations. Our assessment of the Company as a going concern remains grounded in the current structure and fundamentals of the national healthcare system.

Having assessed the variables and scenarios relating to external factors in addition to internal projections and cash flow forecasts, the Directors have concluded that the going concern assumption remains the appropriate basis for preparing the financial statements of the Company.

26. Basic, diluted and headline earnings per share

Basic earnings per share

The calculation of basic earnings per ordinary share is based on a net profit of R43 928 373 (2024: R182 644 053) and a weighted average number of ordinary shares in issue of 64 691 298 (2024: 64 691 298). The basic earnings per ordinary share is 67.9 cents (2024: 282.3 cents).

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Diluted earnings per share

The Company has no dilutive instruments and as a result, the calculation of diluted earnings per ordinary share is based on earnings of R43 928 373 (2024: R182 644 053) and a weighted average number of ordinary shares in issue of 64 691 298 (2024: 64 691 298). The diluted earnings per ordinary share are 67.95 cents (2024: 282.3 cents).

Headline earnings per share

The calculation of headline earnings per ordinary share is based on earnings of R43 928 373 (2024: R182 644 053) and a weighted average number of ordinary shares in issue of 64 691 298 (2024: 64 691 298). The headline earnings per ordinary share is 67.9 cents (2024: 282.3 cents).

Diluted headline earnings per share

The Company has no dilutive instruments and as a result, the calculation of diluted headline earnings per ordinary share is based on earnings of R43 928 373 (2024: R182 644 053) and a weighted average number of ordinary shares in issue of 64 691 298 (2024: 64 691 298). The diluted headline earnings per ordinary share are 67.9 cents (2024: 282.3 cents).

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27. Financial risk management and capital management

Overview

The Company is exposed to the following risks from its use of financial instruments:

- Liquidity risk;
- Credit risk; and
- Market risk (interest rate risk, price risk and currency risk).

The board of directors has overall responsibility for the establishment and oversight of the company's risk management framework. The Board has established an Audit and Risk Committee, which is responsible for developing and monitoring the company's risk management policies. The committee reports quarterly to the board of directors on its activities.

The company's risk management policies are established to identify and analyse the risks faced by the company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the company's activities.

The company's Audit and Risk Committee oversees how management monitors compliance with the risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the company.

27.1. Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

Risks occur when the Company is unable to meet its short-term obligations, when returns from long-term financial assets are not as expected. The Company's strategy is to make long-term investments in unlisted portfolio companies, which are not as readily realisable as quoted investments. The Company might struggle to generate liquidity on short notice and the Board therefore regularly monitors its forecasts, cash flows, commitment levels and available liquidity resources, the latter consisting of loans issued to related parties, dividends received and cash and cash equivalents. The maturity profile of our assets aims to match the liquidity profile with the Company's liquidity requirements to ensure the availability of resources when required.

Liquidity risk is monitored on a quarterly basis by the Company. The nature of the business is such that the majority of operating assets and liabilities are received and settled within one month.

The following table discloses the undiscounted contractual maturity of financial assets and liabilities:

2025	Total payable	3 months or less	3-12 months	1 to 5 years	Over 5 years
Contractual cash outflows					
Loan payable	(88 076 487)	-	(19 800 070)	(69 988 418)	-
Lease liabilities	(595 598)	-	(595 598)	-	-
Other payables	(1 484 881)	(1 484 881)	-	-	-
	(90 156 966)	(1 484 881)	(20 395 668)	(69 988 418)	-

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2024	Total payable	3 months or less	3 -12 months	1 to 5 years	Over 5 years
Contractual cash outflows* Loan payable	(111 975 159)	-	(21 493 796)	(90 481 363)	-
Lease liabilities	(1 588 261)	-	(992 663)	(595 598)	-
Other payables	(1 826 747)	(1 826 747)	-	-	-
	(115 390 167)	(1 826 747)	(22 486 459)	(91 076 961)	-

Norsad loan covenants 2025

Financial covenant	Required	Actual
Debt Service Cover Ratio	Min 1,2x	1,57x
Debt / EBITDA	Max 4,0x	0,32x
Debt / Equity (ex-post)	Max 1,5x	0,05x
EBITDA (Medicare Private Hospital)	Min R20 million	R48 076 389
Drawdown on Fair Value of Financial Assets	Max 20%	5%

27.2. Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Company is exposed to credit risk on other receivables and cash and cash equivalents.

Credit risk for exposures other than those arising on cash and cash equivalents, are managed by making use of credit approvals, and continuous monitoring of counterparty credit risk profile. In line with the rebuttable presumption of IFRS 9, the Company regards any counterparty payment that is more than 90 days past due as a default.

Credit risk exposure arising on cash and cash equivalents is managed by the Company through dealing with well-established financial institutions with high credit ratings.

The carrying amount of financial assets represents the maximum exposure to credit risk:

	2025 R	2024 R
Other receivables	5 730 574	7 922 300
Cash and cash equivalents	20 027 893	54 729 651
	25 758 467	62 651 951

Cash and cash equivalents:

	2025	2024
First National Bank	20 027 893	54 729 651
The credit rating at year end for First National Bank is as follows:		
Standard and Poor	BB-	BB
Moody's	Ba2	Ba2

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27.3. Market risk

Market risk is the risk that changes in the market prices will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return. In the current year, the Company had exposure to interest rate risk, price risk and currency risk.

The exposure to interest rate risk is from keeping its cash balances in an interest-bearing account. During the current year interest income of R2.6 million (2024: R8.9 million) was generated on an average cash balance of R37.4 million (2024: R103.3 million), reflecting an average interest rate of 6.94% (2024: 8.70%). Had interest rates been 50 basis points higher or lower, the impact on the reported interest income would have been as follows:

2025:

	Projected interest income (-50bps)	Actual interest income	Projected interest income (+50bps)
Cash and cash equivalents			
Interest income	2 782 558	2 595 664	2 408 770

2024:

	Projected interest income (-50bps)	Actual interest income	Projected interest income (+50bps)
Cash and cash equivalents			
Interest income	8 472 864	8 989 513	9 506 163

Price risk includes fair value estimation on financial asset at fair value through profit or loss and loans to group companies.

Refer to note 6 and 7 disclosure on the market risks sensitivities of financial asset at fair value through profit or loss, and loans to group companies:

The Company pays its Rwanda Stock Exchange listing fees in US Dollars therefore, it is exposed to currency risk. It is the only transaction in foreign currency and it is an immaterial amount therefore there is no need to provide for hedging.

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28. Segmental information

The Company's Chief Operating Decision Maker (CODM), the Executive Committee, makes strategic resource allocations on behalf of the Company. The Company has identified operating segments based on the internal reports that are reviewed by the Executive Committee and are used to inform decision-making. The Executive Committee regards the business as consisting of two segments, the healthcare segment and the financial services segment. The geography of the two segments is South Africa. The two segments are measured on the basis of the investment income and capital appreciation. The investment income comprises of gains or losses in the fair value of the underlying investments in indirectly held associates and subsidiaries, plus any interest and dividend income.

The segment information provided to the CODM for the year ended 28 February 2025 is as follows:

2025 Segment information

	Healthcare segment	Financial services segment	Total
	R	R	R
Gains/(Losses) from financial assets at fair value through profit or loss	76 486 891	(4 434 928)	72 051 963
Interest income	5 445 278	-	5 445 278
Dividend income	26 142 000		26 142 000
Segment investment income/(loss)	108 074 169	(4 434 928)	103 639 241
Segment other income	5 650 704	-	5 650 704
Total segment net income/(loss)	113 724 873	(4 434 928)	109 289 945

Segment assets	Healthcare segment	Financial services segment	Total
	R	R	R
Financial assets at fair value through profit and loss	1 182 697 749	3 000 000	1 185 697 749
Loans to group companies	55 611 573	-	55 611 573
Total segment assets	1 238 309 322	3 000 000	1 241 309 322

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2024 Segment information

Reconciliation	Healthcare segment	Financial services segment	Total
	R	R	R
Losses from financial assets at fair value through profit or loss	246 968 483	(3 375 024)	243 593 459
Interest income	5 688 539	-	5 688 539
Dividend income	22 144 498	-	22 144 498
Segment investment income	274 801 520	(3 375 024)	271 426 496
Segment other income	4 440 429	-	4 440 429
Total segment net (loss)/income	279 241 949	(3 375 024)	275 866 925

Segment assets	Healthcare segment	Financial services segment	Total
	R	R	R
Financial assets at fair value through profit and loss	1 086 041 075	6 983 324	1 093 024 399
Loans to group companies	44 830 727	-	44 830 727
Total segment assets	1 130 871 802	6 983 324	1 137 855 126

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Segment investment (losses)/income is reconciled to total (loss)/income before tax as follows:

	2025	2024
Segment investment income/(loss)	103 639 241	271 426 495
Non-segment investment income		
Interest income	2 595 664	8 989 513
Total investment income	106 234 905	280 416 009
Segment other income	5 650 704	4 440 429
Total income	111 885 609	284 856 438
Management fees	(6 792 121)	(7 423 601)
Employees costs	(10 956 732)	(11 654 610)
Other non-segment expenses	(34 423 381)	(33 566 039)
Total Expenses	(52 172 234)	(52 644 250)
Total income before tax	59 713 375	232 212 188

Total reportable segment assets are reconciled to total assets as follows:

	2025	2024
Segment assets for reportable segments	1 241 309 323	1 137 855 126
Other non-current assets	600 880	1 487 401
Other current assets	41 271 236	77 017 712
Total assets	1 283 181 438	1 216 360 239
Total liabilities	204 919 608	182 026 784

29. Cash used in operations

Total income before taxation	59 713 375	232 212 188
Adjustments for:		
Depreciation	935 075	908 707
Gains on financial assets at fair value through profit or loss	(72 051 963)	(243 593 458)
Dividends received	(26 142 000)	(8 144 498)
Interest received	(8 040 942)	(11 765 371)
Finance costs	11 851 097	20 114 401
Accrued income		(411 000)
Interest unpaid on group loans	-	(2 912 682)
Write-off of non-debtor	1 166 667	1 296
Changes in working capital:		
Other receivables	663 035	(21 712 295)
Trade and other payables	8 940 666	2 058 873
	(22 964 990)	(33 243 839)

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Supplementary Information

1. Major shareholders

Those shareholders who, insofar as is known to the Company, directly or indirectly, beneficially hold shareholding of 2% or more of the issued share capital of the Company are set out below:

2025:

Shareholder	Number of A Ordinary Shares held	% of A Ordinary Shares held*
Public Investment Corporation SOC Limited	43 665 733	67 %
Perthpark Properties Limited	7 994 924	12 %
Mr Quinton Zunga	2 215 794	3 %
Dr Mandisa Joyce Gwendoline	1 816 470	3 %
Sentio Capital Management Proprietary Limited	1 831 244	3 %
Mr Stephanus Phillipus Van Huyststeen	1 427 685	2 %
Mrs Belinda-Maree Mc Gillewie	1 192 072	2 %
Dr John Robert Charles Beaumont	1 190 075	2 %
Third Way Investment Group (Pty) Ltd	1 039 270	2 %
	62 373 267	96 %

2024:

Shareholder	Number of A Ordinary Shares held	% of A Ordinary Shares held*
Public Investment Corporation SOC Limited	42 889 948	66 %
Perthpark Properties Limited	7 994 924	12 %
Mr Quinton Zunga	2 029 098	3 %
Dr Mandisa Joyce Gwendoline	1 816 470	3 %
Sentio Capital Management Proprietary Limited*	1 831 244	2 %
Mr Stephanus Phillipus Van Huyssteen	1 427 685	2 %
Mrs Belinda-Maree Mc Gillewie	1 192 072	2 %
Dr John Robert Charles Beaumont	1 190 075	2 %
Third Way Investment Group (Pty) Ltd	1 039 270	2 %
	59 579 542	92%

* The comparative figure was amended to reflect the correct nature of the transactions that have occurred. This has changed the previous disclosed balance by R1.8 million.

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2. Shareholding spread

Shareholder analysis per JSE Listings Requirements 3.43 of public and non-public shareholders:

2025:

Shareholder	Number of Shareholders	Number of 'A' Ordinary Shares held	% Holding
Public shareholders	842	18 587 379	29,00 %
Non-public shareholders	10	46 103 919	71,00 %
Total	852	64 691 298	100,00 %

2024:

Shareholder	Number of Shareholders	Number of 'A' Ordinary Shares held	% Holding
Public shareholders	842	18 439 477	29,00 %
Non-public shareholders	10	46 251 821	71,00 %
Total	852	64 691 298	100,00 %

Non-public shareholders	2025	2024
Directors and associates of the company (direct holdings)	2 238 186	2 122 603
Directors and associates of the company (indirect holdings)	200 000	1 239 270
Public Investment Corporation SOC Limited	43 665 733	42 889 948
	46 103 919	46 251 821

2025:

Directors' interest or shareholding*	Direct	Indirect	Total	Percentage held
Director				
Quinton Zunga	2 215 794	-	2 215 794	3.1%
Yondie Metu	16 523	-	16 523	0.0%
David Sekete	-	200 000	200 000	0.3%
Bojane Segooa	5 869	-	5 869	0.0%
	2 238 186	200 000	2 438 186	3,4%

* There were no changes in the Director's direct or indirect interests between financial year end and the approval of the annual financial statements.

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2024:

Director's interest or shareholding	Direct	Indirect	Total	Percentage held
Director				
Quinton Zunga	2 034 098	-	2 034 098	3,1%
Dion Mhlaba	46 913	-	46 913	0,1%
Vuyokazi Nomvalo	4 000	-	4 000	0,0%
Yondie Metu	16 253	-	16 253	0,0%
John Oliphant	12 200	1 039 270	1 051 470	1,6%
David Sekete	-	200 000	200 000	0,3%
Bojane Segooa	5 869	-	5 869	0,0%
Kgaogelo Ntshwana	3 000	-	3 000	0,0%
	2 122 603	1 239 270	3 361 873	5,1%