

RMB Holdings Limited
(Incorporated in the Republic of South Africa)
(Registration number: 1987/005115/06)
ISIN: ZAE000024501
Share Code: RMH
("RMH" or "the **Company**")

WITHDRAWAL OF CAUTIONARY ANNOUNCEMENTS RELATING TO THE BRIGHTBRIDGE AND FLEDGE APPROACHES

Introduction

Shareholders are referred to the announcements released on the Stock Exchange News Service of the JSE Limited (**SENS**) by RMH on Monday, 11 October 2021 and Tuesday, 12 October 2021 respectively, wherein shareholders were advised that the board of directors of RMH (**RMH Board**) had received unsolicited, formal approaches from both Brightbridge Real Estate Limited (**Brightbridge**) and Fledge Capital Proprietary Limited (**Fledge**).

The approach from Brightbridge was in relation to the total loan claims as well as ordinary shares held by the relevant RMH property holding company as follows:

- 27.5% of Atterbury Property Holdings Proprietary Limited (**Atterbury**), including the R534 million loan claim currently held by FirstRand Bank (acting through its Rand Merchant Bank division) against Atterbury (the **APH Loan**) which would have resulted in, subject to implementation of the offer, the relevant RMH property holding company holding the APH Loan directly before transfer to Brightbridge;
- 37.5% of Atterbury Europe Holding B.V.; and
- 10.9% of Divercity Urban Property Fund Proprietary Limited (**Divercity**), subject to the right of first refusal process between the existing shareholders of Divercity,

(collectively referred to as the **Brightbridge Approach**).

The approach from Fledge was in relation to the total loan claims as well as ordinary shares held by the relevant RMH property holding company in Integer Properties 3 (the **Fledge Approach**).

Shareholders are referred to the respective cautionary announcements for additional information in relation to the terms of the Brightbridge Approach and the Fledge Approach (collectively, the **Approaches**).

RMH Board view on the Approaches

The RMH Board has considered each of the Approaches holistically, including the relevant quantitative and qualitative considerations related to the Approaches, and is of the view that the Approaches are not in the best interests of RMH nor its shareholders and do not accord with the RMH Board's view of an acceptable range of realisable net asset value for these assets (**NAV**). The Approaches will consequently not be progressed.

The RMH Board considered a number of factors in arriving at its view of the Approaches, including in particular the following:

- the significant discount that the offer prices represent relative to the International Financial Reporting Standards (**IFRS**) NAV of RMH, excluding the special dividend, as at 31 March 2021 (being the date of the last audited financial statements for RMH). The RMH Board is comfortable with the governance processes followed by the respective portfolio companies in determining the IFRS NAV. All the companies employ independent, internationally recognised external valuers to value the underlying individual property using recognized valuation standard, which form the basis of the IFRS NAV reviewed by the RMH Board and signed-off by RMH's external auditors;
- the further discount that the respective offer prices represent relative to RMH management and the RMH Board's internal, conservative assessment of the future NAV of the portfolio. This view is based on quantitative factors including traditional valuation discounts and control premiums for transactions of this nature, marketability and illiquidity of non-controlling stakes, capital structure and liquidity positions of the underlying assets and capital gains tax (**CGT**), as the Brightbridge Approach assumes that there are no CGT implications (given that Brightbridge is a foreign entity);
- the qualitative factors considered by the RMH Board, primarily the implications of the Approaches on RMH's monetisation strategy. As previously communicated to shareholders, the core strategy of RMH remains to monetise the RMH Property portfolio, in an orderly manner, and to return maximum value to RMH shareholders. This strategic intent remains unchanged; and
- the RMH Board acknowledges that Brightbridge, as an Atterbury group affiliated entity and one closely aligned to Louis van der Watt, is the most likely acquirer as part of this monetisation strategy in view of their deep knowledge of the businesses and contractual arrangements between the parties.

Atterbury has been a partner to RMH since 2017 and is one of the leading property developers and management companies in the markets in which it operates. Atterbury remains an important partner to RMH, and the RMH Board remains confident that, notwithstanding the RMH Board's view on the Brightbridge Approach, the partnership will continue to focus on the creation of shareholder value and we believe we are aligned on identifying monetisation events when appropriate.

Feedback from RMH shareholders on the Approaches

Following deliberation by the RMH Board, and in accordance with the guidelines of the Takeover Regulation Panel, shareholders representing ca. 47% of RMH's ordinary shares were engaged under bilateral non-disclosure agreements (NDAs) and all indicated to RMH that they are not in favour of the Approaches.

Withdrawal of cautionary announcement

The RMH Board has provided feedback on its views and position on the Approaches to Brightbridge and Fledge. The terms of the Approaches remain unchanged as at the date of this announcement. Accordingly, the cautionary announcements dated Monday, 11 October

2021 and Tuesday, 12 October 2021 are hereby withdrawn and caution is no longer required to be exercised by shareholders when dealing in their RMH securities as the Approaches will not be progressed.

Board responsibility statement

The RMH Board accepts responsibility for the information contained in this announcement and certifies that, to the best of its knowledge and belief, the information contained in this announcement is true and nothing has been omitted which is likely to affect the importance of the information.

21 October 2021
Rosebank

Sponsor

RAND MERCHANT BANK (A division of FirstRand Bank Limited)