

RAND MERCHANT INVESTMENT HOLDINGS LIMITED  
(Incorporated in the Republic of South Africa)  
Registration number: 2010/005770/06  
ISIN: ZAE000210688  
Share code: RMI  
("RMI" or "the group")

# TRADING STATEMENT FOR THE SIX MONTHS ENDED 31 DECEMBER 2021

Shareholders are referred to the announcements released on the Stock Exchange News Service (SENS) on 20 September 2021, in respect of RMI's intention to unbundle its shareholdings in Discovery Limited (Discovery) and Momentum Metropolitan Holdings Limited (MMH), and on 8 December 2021, in respect of the sale of the group's 30% shareholding in Hastings Group (Consolidated) Limited (Hastings).

The proceeds from the sale of the group's stake in Hastings were utilised to repay all the preference share funding that the group had raised in terms of its debt programme. This negated the need to raise capital via a rights issue to reduce debt before the unbundling of the group's stakes in Discovery and MMH.

The following key items influenced the interim results for the six months ended 31 December 2021:

- The financial results for Hastings were equity accounted until 8 December 2021, the effective date of the sale.
- The profit on the sale of Hastings amounting to R4.7 billion, which is excluded from headline earnings and normalised earnings.
- The financial results for Discovery and MMH were also equity accounted until 8 December 2021, the date on which the unbundling met the accounting definition of being highly probable in terms of IFRS 5.
- As explained in the voluntary trading update included in the 8 December 2021 SENS announcement, Australia experienced various large natural catastrophe events resulting in material claims for Youi Holdings Proprietary Limited (Youi). Youi's catastrophe reinsurance retention increased materially from AU\$10 million in the 2021 financial year to AU\$30 million in the 2022 financial year. The higher catastrophe reinsurance retention is buffered by a natural perils aggregate treaty which provides AU\$70 million of cover once aggregated retained events losses exceed AU\$60 million. At 31 December 2021, the aggregated natural perils losses stood at AU\$58 million. Youi is therefore expected to have a more favourable claims ratio performance in the second half of the financial year.

Pursuant to paragraph 3.4(b) of the JSE Limited Listings Requirements, the following guidance is provided to RMI shareholders regarding the group's expected earnings for the six months ended 31 December 2021:

	Reported six months ended 31 December 2020 (cents)	Guidance for the six months ended 31 December 2021  Expected % increase/ (decrease)	Expected range (cents)
Normalised earnings per share	133.7	(10%) to 0%	120.3 to 133.7
Headline earnings per share	104.1	0% to 10%	104.1 to 114.5
Earnings per share	105.3	285% to 295%	405.4 to 415.9

RMI regards normalised earnings (which excludes non-operational items and accounting anomalies) as the key indicator of the group's operational performance.

The financial information on which this trading statement is based has not been reviewed and reported on by the group's external auditor.

RMI's unaudited interim results for the six months ended 31 December 2021 are expected to be released on SENS on Wednesday, 16 March 2022.

Rosebank  
9 March 2022

Sponsor  
RAND MERCHANT BANK (A division of FirstRand Bank Limited)