

Remgro Limited

(Incorporated in the Republic of South Africa)

(Registration number 1968/006415/06)

ISIN: ZAE000026480

JSE and A2X Share code: REM

("Remgro" or "the Company")

TRADING STATEMENT FOR THE SIX MONTHS ENDED 31 DECEMBER 2023

Paragraph 3.4 (b) of the Listings Requirements of the JSE Limited ("JSE") requires companies to publish a trading statement as soon as they become reasonably certain that their financial results for the period to be reported upon next will differ by at least 20% from those of the previous corresponding period. Remgro's results for the six months ended 31 December 2023 ("current period") are due to be released on the Stock Exchange News Service ("SENS") on or about 19 March 2024.

Shareholders are advised that Remgro's headline earnings per share ("HEPS") for the current period is expected to be between 344 cents and 407 cents compared to the HEPS of 626 cents reported for the six months ended 31 December 2022 ("the comparative period"), an expected decrease of between 35.0% and 45.0%.

A significant driver of the decline in headline earnings relates to the effect of the corporate actions implemented in the recent past, majority of which are non-recurring items. The difficult operating environment, particularly in relation to the trading results of Heineken Beverages Holdings Limited ("Heineken Beverages") also contributed to the material decline in headline earnings.

To promote comparability between reporting periods, Remgro also discloses an alternative HEPS measure excluding the effect of these corporate actions ("HEPS, adjusted for corporate actions"). For the current and comparative periods, these corporate actions and their impact on headline earnings include the following:

- the *IFRS 3* amortisation and depreciation charges for the current period relating to the additional assets identified when Heineken Beverages obtained control over Distell Group Holdings Limited ("Distell") and Namibia Breweries Limited ("Heineken *IFRS 3* impact");
- Remgro's portion of the negative fair value adjustment (FVA) made by TotalEnergies Marketing South Africa Proprietary Limited on its Natref stock in the current period, due to Natref being classified as held for sale in terms of *IFRS 5*;
- Remgro's portion of the transaction costs incurred relating to the Mediclinic Group Limited ("Mediclinic") acquisition;
- Remgro's portion of a debt forgiveness gain that was accounted for by Kagiso Tiso Holdings Proprietary Limited ("KTH") in the comparative period (a lender waived its right to receive an outstanding amount of a loan to KTH) as part of the disposal of its investment in Actom Investment Holdings Proprietary Limited; and
- Grindrod Limited's ("Grindrod") equity accounted income until its unbundling during October 2022.

HEPS, adjusted for corporate actions, for the comparative period is based on the adjustments detailed below.

R million	Six months ended 31 December	
	2023	2022
Headline earnings		3 529
Heineken IFRS 3 impact	178	-
Negative FVA on Natref's stock	377	-
Transaction costs relating to the Mediclinic acquisition	165	19
KTH debt forgiveness gain	-	(227)
Grindrod equity accounted income	-	(60)
Headline earnings, adjusted for corporate actions		3 261
Weighted number of shares (million)	554.5	563.6

Remgro's HEPS, adjusted for corporate actions, for the current period is expected to be between 492 cents and 533 cents compared to the HEPS, adjusted for corporate actions, for the comparative period of 579 cents (based on the adjustments detailed above), an expected decrease of between 8.0% and 15.0%. This decrease is largely driven by:

- the loss contributed by Heineken Beverages (excluding the Heineken *IFRS 3* impact) compared to the profit contributed by Distell in the comparative period. Heineken Beverages' volumes were impacted by lower industry growth, loadshedding, a shift from premium to mainstream and a challenging competitive environment. Margins were also negatively impacted by non-recurring expenses related to integration and supply chain challenges;
- a lower contribution from Community Investment Ventures Holdings Proprietary Limited mainly due to higher finance costs resulting from increased interest rates; and
- a special dividend received from FirstRand Limited of R154 million in the comparative period.

Shareholders are reminded that Remgro utilises headline earnings per share only as the relevant criteria for trading statement purposes, pursuant to paragraph 3.4(b)(vi) of the Listings Requirements.

The estimated financial information on which this trading statement is based has neither been reviewed nor reported on by the Company's external auditors.

Stellenbosch

11 March 2024

Sponsor

RAND MERCHANT BANK (A division of FirstRand Bank Limited)