

SUMMARY OF UNAUDITED RESULTS FOR THE SIX MONTHS ENDED 31 DECEMBER 2023 AND CASH DIVIDEND DECLARATION

SALIENT FEATURES

- Headline earnings per share: down by 39.1% to 381 cents
- Earnings per share: down by 161.6% to a loss of 432 cents (31 December 2022: profit of 701 cents)
- Interim dividend per share: 80 cents (unchanged)
- Intrinsic net asset value per share as at 31 December 2023: down by 4.6% to R236.95 since 30 June 2023

INTRODUCTION

The second half of the 2023 calendar year continued to be marked globally as a period of macroeconomic and geopolitical instability, with inflation pressures a common global theme. This was also the case in South Africa, with our unique and well-known challenges of power supply constraints, inefficiencies in transport and logistics, the slow pace of economic and structural reforms and a general erosion of foreign investment confidence in the country. The compounded effects of all these factors have been felt across Remgro's portfolio companies, creating an incredibly challenging operating environment for its businesses to navigate. As a Group, Remgro has worked hard to mitigate the external pressures to the extent that it can.

An operating backdrop such as this necessitates a disciplined focus on factors within the Group's control, while still looking for longer-term growth opportunities. As a result, this interim period has been characterised by consolidation and optimisation following Remgro's shift in 2023 towards a larger unlisted portfolio. This process involved an intensified focus on driving turnaround and positive momentum in Remgro's core and growth assets. Remgro has seen varying levels of success in this regard, taking into account the different impacts and integration timelines of the recent transactions. Remgro's immediate priority remains driving performance in its underlying portfolio companies and unlocking sustainable value for its shareholders. This is what will enable Remgro's strategic imperative of being the trusted investment company of choice.

RESULTS

For the period under review, headline earnings decreased by 40.1% from R3 529 million to R2 113 million, while headline earnings per share (HEPS) decreased by 39.1% from 626 cents to 381 cents. The difference of 100bps in the HEPS measure compared to headline earnings, represents the accretive impact of shares repurchased during the 2023 financial year and the period under review.

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 also contributed to the material decline in headline earnings. 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 period under review of R178 million relating to the additional assets identified when Heineken Beverages obtained control over Distell and Namibia Breweries (Heineken *IFRS 3* impact);
- Remgro's portion of the negative fair value adjustment (FVA) made by TotalEnergies on its Natref stock for the period under review amounting to R377 million, due to Natref being classified as held for sale in terms of *IFRS 5*;
- Remgro's portion of the transaction costs amounting to R165 million (2022: R19 million) incurred in respect of the Mediclinic acquisition;
- Remgro's portion of a debt forgiveness gain amounting to R227 million that was accounted for by 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; and
- Grindrod's equity accounted income of R60 million until its unbundling during October 2022.

Excluding the impact on headline earnings of these corporate actions, the headline earnings decreased by 13.1%, largely driven by:

- the loss contributed by Heineken Beverages (excluding the Heineken *IFRS 3* impact) of R208 million, partly offset by Capevin's contribution of R57 million, compared to Distell's contribution of R517 million in the comparative period;
- a lower contribution from CIVH mainly due to higher finance costs resulting from increased interest rates;
- a special dividend of R154 million received from FirstRand in the comparative period;
- partly offset by increased contributions from TotalEnergies (excluding the negative FVA on Natref's stock), as well as RCL Foods and Siqalo Foods due to improved operating performances.

Total earnings amounted to a loss of R2 394 million (2022: a profit of R3 951 million). This decrease in earnings is mainly due to the decrease in headline earnings discussed above (R1 416 million), the impairment of Remgro's investment in Heineken Beverages (R3 488 million) and Remgro's portion of the impairments of Heineken Beverages' goodwill that was created through the Distell/Heineken transaction (R1 819 million). For the 2023 financial year, Remgro accounted for a profit on disposal of R3 384 million in respect of the Distell/Heineken transaction.

INTRINSIC NET ASSET VALUE

Remgro's intrinsic net asset value per share decreased by 4.6% from R248.47 at 30 June 2023 to R236.95 at 31 December 2023. The closing share price at 31 December 2023 was R162.48 (30 June 2023: R147.05), representing a discount of 31.4% (30 June 2023: 40.8%) to the intrinsic net asset value.

DECLARATION OF CASH DIVIDEND NO. 47

Notice is hereby given that an interim gross dividend of 80 cents (2022: 80 cents) per share has been declared out of income reserves in respect of both the ordinary shares of no par value and the unlisted B ordinary shares of no par value, for the six months ended 31 December 2023.

The Board is satisfied that the Company is solvent and liquid, thus confirming that the Company has sufficient capital and reserves after the payment of the interim dividend, to support its operations for the foreseeable future.

A dividend withholding tax of 20% or 16 cents per share will be applicable, resulting in a net dividend of 64 cents per share, unless the shareholder concerned is exempt from paying dividend withholding tax or is entitled to a reduced rate in terms of an applicable double-tax agreement.

The issued share capital at the declaration date is 529 217 007 ordinary shares and 39 056 987 B ordinary shares. The income tax number of the Company is 9500-124-71-5.

Dates of importance:

Last day to trade in order to participate in the dividend	Tuesday, 16 April 2024
Shares trade ex dividend	Wednesday, 17 April 2024
Record date	Friday, 19 April 2024
Payment date	Monday, 22 April 2024

Share certificates may not be dematerialised or rematerialised between Wednesday, 17 April 2024, and Friday, 19 April 2024, both days inclusive.

In terms of the Company's Memorandum of Incorporation, dividends will only be transferred electronically to the bank accounts of shareholders. In the instance where shareholders do not provide the Transfer Secretaries with their banking details, the dividend will not be forfeited but will be marked as "unclaimed" in the share register until the shareholder provides the Transfer Secretaries with the relevant banking details for payout.

DIRECTORS' STATEMENT

The directors, who take responsibility for the contents of this results announcement, present the unaudited interim results of Remgro for the six months ended 31 December 2023.

The financial information in this results announcement is a summary only and does not contain full details of the consolidated financial results. Accordingly, any investment decisions should be based on information contained in the unaudited interim results for the six months ended 31 December 2023, published on SENS and available at <https://senspdf.jse.co.za/documents/2024/JSE/ISSE/REM/REMDec2023.pdf> and on the Company's website at www.remgro.com.

RESULTS WEBCAST AND PRESENTATION

Shareholders and other interested parties are invited to join management in discussing Remgro's interim results via webcast at 09:00 am SAST on Tuesday, 19 March 2024 at the following link:

<https://78449.themediaframe.com/links/remgro240319.html>

Signed on behalf of the Board of Directors.

Johann Rupert
Chairman

Jannie Durand
Chief Executive Officer

Stellenbosch

Approved by the Board: 18 March 2024

SENS release date: 19 March 2024

DIRECTORATE

Non-executive directors

Johann Rupert (*Chairman*), F Robertson* (*Deputy Chairman*),
S E N De Bruyn*, N P Mageza*, J Malherbe, P J Moleketi*,
M Morobe*, P J Neethling, G G Nieuwoudt*,
K S Rantloane*, A E Rupert
(* *Independent*)

Executive directors

J J Durand (*Chief Executive Officer*),
M Lubbe, N J Williams

CORPORATE INFORMATION

Secretary

D I Dreyer

Listings

Primary listing - JSE Limited

Sector: Financials – Financial Services – Investment Banking and Brokerage Services – Diversified Financial Services

Secondary listing – A2X

Business address and registered office

Millennia Park, 16 Stellentia Avenue, Stellenbosch 7600
(PO Box 456, Stellenbosch 7599)

Transfer Secretaries

Computershare Investor Services Proprietary Limited,
Rosebank Towers, 15 Biermann Avenue, Rosebank 2196
(Private Bag X9000, Saxonwold 2132)

Auditors

Ernst & Young Inc.
Cape Town, South Africa

Sponsor

Rand Merchant Bank (A division of FirstRand Bank Limited)

FOR MORE INFORMATION

www.remgro.com