



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

CATEGORY 2 DISPOSAL ANNOUNCEMENT – DIVERCITY URBAN PROPERTY GROUP

1. INTRODUCTION

RMH shareholders ("**Shareholders**") are hereby advised that RMH, RMH Property Holdco 5 Proprietary Limited, a subsidiary of RMH, ("**RMH Property**") and Divercity Urban Property Group Proprietary Limited ("**Divercity**") have entered into an agreement ("**the Agreement**"). Pursuant to the Agreement, all the shareholder loan claims ("**Loan Claims**") and the ordinary shares held by RMH Property in Divercity (representing 7.15% of the total issued ordinary shares in Divercity) ("**Sale Shares**") will be repurchased by Divercity for the purchase consideration set out in paragraph 4.2 ("**Purchase Consideration**") and on terms and conditions customary for transactions of this nature ("**the Disposal**"). The beneficial owners of Divercity are:

Beneficial owner:
27four Co Invest GP (RF) Proprietary Limited
Atterbury Property Fund (Proprietary)Limited
British International Investment PLC
Circlevest Property Holdings (Proprietary) Limited
CK SA Invest (Proprietary) Limited
Ithemba Group Investment (Proprietary) Limited
JHR Investment (Proprietary) Limited
Midnight Masquerade Properties 205(Proprietary) Limited
Nedbank Limited
Old Mutual Life Assurance Company (South Africa) Limited
Société de Promotion Et De Participation Pour La Coopération Economique S.A.

None of the Divercity beneficial owners are related parties of RMH as defined in the JSE Limited Listings Requirements ("**the Requirements**").

2. RATIONALE FOR THE DISPOSAL

As has previously been communicated to Shareholders, the strategic intention of the RMH Board is to monetise the RMH Property Holdings Proprietary Limited ("**RMH Property Holdings**") portfolio in

an orderly manner over time, including if appropriate, through the disposal of RMH Property Holdings' individual portfolio companies.

Given the minority interest RMH holds in Divercity, which shareholding no longer gives RMH the right to board representation the most suitable disposal of RMH's interest in Divercity has always been a repurchase of RMH's shareholding by Divercity. Accordingly, having considered all relevant quantitative and qualitative factors, the RMH Board has concluded that the Disposal is aligned with RMH's monetisation strategy to realise value for Shareholders.

3. DESCRIPTION OF THE BUSINESS OF DIVERCITY

Divercity is a South African investment platform dedicated to affordable rental housing with supporting amenities in high-density and centrally located urban precincts.

Divercity is a fully internalised property fund. Fund management, asset management and development management are conducted internally. Property management is provided by Ithemba Property Management, a wholly owned subsidiary of the fund.

4. SALIENT TERMS OF THE DISPOSAL

4.1 GENERAL

The Disposal is subject to the fulfilment or waiver (to the extent permissible) of the conditions' precedent set out in paragraph 4.4 below ("**Conditions Precedent**").

In addition, the Disposal will be implemented, in accordance with applicable South African laws and the provisions of the Agreement, which include, *inter alia*, the following:

- 4.1.1 On the effective date, being one business day following the day on which the Conditions Precedent have all been fulfilled or waived (as the case may be) ("**the Effective Date**"), RMH Property will sell, and Divercity will repurchase the Loan Claims and Sale Shares for the Purchase Consideration on which date the Sale Shares will be transferred and ownership of, all risk in, and all benefit attaching to, the Sale Shares will pass to Divercity;
- 4.1.2 The sale, purchase and transfer of the Sale Shares and the assignment of the Loan Claims referred to in paragraph 4.1.1 constitutes one indivisible transaction.

4.2 PURCHASE CONSIDERATION

The Purchase Consideration of R50,000,000.00 is payable by Divercity to RMH Property three days after the Effective Date, in cash.

4.3 APPLICATION OF THE DISPOSAL PROCEEDS

Following the review and consideration of its capital requirements, the Company will aim to maximise the value returned to Shareholders, likely in the form of another special dividend. Shareholders will be informed on SENS regarding any such special dividend which, if applicable, would be made in accordance with the Requirements, the Companies Act no. 71 of 2008 ("**the Act**"), and the memorandum of incorporation of the Company.

4.4 CONDITIONS PRECEDENT

The Disposal is subject to the fulfilment or waiver (to the extent permissible) of the Conditions Precedent standard for a transaction of this nature, namely Conditions Precedent of title which are:

- 4.4.1 the Disposal having been approved by a special resolution of the shareholders of Divercity. In-principle approval has been obtained;
- 4.4.2 the shareholder of Divercity having waived all applicable pre-emptive rights to the Sale Shares; and
- 4.4.3 the Disposal having been approved by the board of directors of each of RMH and Divercity.

4.5 **EFFECTIVE DATE OF THE DISPOSAL**

The Effective Date of the Disposal is expected to occur on or about 12 April 2024 as the Conditions Precedent need to be fulfilled or waived within 14 days of acceptance.

4.6 **OTHER SIGNIFICANT TERMS**

The Agreement contains warranties, indemnities, and undertakings by Divercity in favour of RMH and RMH Property, and by RMH and RMH Property in favour of Divercity, which are customary for a transaction of this nature.

5. **FINANCIAL INFORMATION**

The carrying value of Divercity as of 30 September 2023, the date of RMH's last audited six-month financial information, was R87,079,976.00 (eighty-seven million, seventy-nine thousand, nine hundred, and seventy-six rand).

Divercity attributed a fair value loss before tax of R9,818,984.00 (nine million, eight hundred, and eighteen thousand, nine hundred, and eighty-four rand) to RMH's audited results for the six months ended 30 September 2023. This financial information was prepared in accordance with International Financial Reporting Standards and the Act, based on Divercity's audited results for the year ended 30 June 2023.

The standalone audited results of Divercity used to determine the carrying value showed a net asset value of R953,967,000.00 (nine hundred and fifty-three million, nine hundred and sixty-seven thousand rand), with an attributable comprehensive loss of R2,190,000 (two million, one hundred and ninety thousand rand).

As of 30 September 2023, RMH Property, owned 11.41% of Divercity following the capital raise of R555,000,000.00 as per the RMH condensed reviewed results announcement released on SENS on 13 December 2023 in which RMH Property did not participate, RMH Property's shareholding diluted to 7.15%.

6. **CATEGORISATION OF THE DISPOSAL**

The Disposal constitutes a category 2 transaction as outlined in paragraph 9.5(a) of the Requirements.

Bryanston

28 March 2024

Sponsor
BSM Sponsors Proprietary Limited