RMH ANNUAL GENERAL MEETING

15 September 2021

RMH

PARTNER | ENHANCE | OPTIMISE

AGENDA

1. GENERAL MARKET COMMENTARY
2. PORTFOLIO DISCUSSION
3. Q&A

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Section 1

General market commentary and trading update

GENERAL MARKET COMMENTARY

SOUTHERN AFRICA

- The South African property sector has faced numerous challenges over the last 3 years. The compounding effects of the pandemic and the July 2021 protests has put immense pressure on the sector.
- SAPOA reports that **commercial office** vacancies are at 2.4 million square meters, combine this with the fact that demand for office space globally is forecast to decrease by 10-15% in the next 5 years, and it seems unlikely that the South African property sector can trade itself out of the current vacancies. The only way that space can be filled is with a significant growth in the South African economy. The rental reversions that we are seeing in the market are evidence of landlords doing whatever they can to secure the small supply of office tenants that is available. A concern is that the gross asset values of offices do not reflect the compounded effect that an existing 16.5% vacancy, a forecast increase in this vacancy, and the high rental reversions will have on the office sector in the next 3 to 5 years.
- The **industrial warehousing** asset class remains attractive, reflected in the value the investor market currently places on companies in this sector.
- Within the **retail sector**, super regionals have been the most impacted and convenience and rural retail the least. The sector is expected to recover in the next 12 – 18 months.
- Given the state of the property sector it is not surprising that there have been almost **no acquisitions or disposals** of individual property assets in the last 6 to 12 months.

CENTRAL AND EASTERN EUROPE

Romania

- The Romanian economy has recovered to pre-pandemic levels, driven by a wide array of sectors including the property market. Romania's robust long-term economic perspectives means it remains an appealing investment destination.
- As far as the **retail market** is concerned, the pandemic has ignited certain trends including the growing appetite for retail parks and developers focusing on regional cities in Romania that would have not been on the map several years ago.

Serbia

- Interest for the Serbian retail market continues to grow as the number of investment transactions steadily rises. Two new malls were added in 2020 and new openings of retail centers are expected in late 2021 and in 2022, providing an additional 176,000sqm of retail GLA.

Cyprus

- Indicators point to a strong rebound in the Cyprian economy, driven in part by the strong real estate and construction sector.

Source: Colliers HY2021 report; Deloitte 2021

RMH TRADING UPDATE

If we assume gross of the special dividend, RMH's share price has traded above 200c to as high as 230c per share

Source: Reuters as at 13 September

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Section 2

Portfolio discussion

COMPANY UPDATE

ATTERBURY
It's a matter of association

ATTERBURY PROPERTY HOLDINGS

- Operationally, the key performance indicators of the portfolio have shown good resilience when compared to the results of June 2020.
- Atterbury is active with several developments (Richmond Park in Cape Town, King Air Industrial in Cape Town, Old Mint Industrial in Midrand, and Castle Gate in Pretoria). Most of the development activity is in the industrial sector which is the only sector in South African where growth is expected in the near term.

ATTERBURY
EUROPE

ATTERBURY EUROPE

- We remain cautiously optimistic that Europe is emerging from the worst of the pandemic induced lockdowns with the HORECA sector also finally starting to open up (hotels, restaurants and cafes).
- We remain unconvinced about structural changes in consumer behaviour as far as retail and leisure are concerned – we believe it will go back to pre-covid levels. The impact on office demand is however still uncertain.
- The focus at Atterbury Europe is on managing the existing portfolio and debt. The management team continues to explore new development opportunities.
- As a result of relatively low loan-to-value ratios and moratoriums on debt repayments, Atterbury Europe's cash flow remains healthy.

COMPANY UPDATE

DIVERCITY
URBAN PROPERTY FUND

INTEGER PROPERTIES

DIVERCITY

- Divercity's residential portfolios were the most impacted by the pandemic. Vacancies were higher than anticipated and new developments are taking longer to fill, collections however remained stable.
- Any short-term cash flow challenges that Divercity may have had have been resolved with the conclusion of the CDC investment into the company. Divercity is well placed to consolidate and manage the existing portfolio.

INTEGER PROPERTIES

- Integer Properties has entered a phase of realization, good progress has been made over the past 18 months in very difficult trading conditions.
- Whilst the realisation of the portfolio is ongoing, the operational performance remained intact with low vacancy rates, collections remaining strong and the interest coverage ratios remaining comfortable.

Q&A

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