

# Reviewed condensed results

for the six months ended 30 September 2023

# Contents

## 3

### About RMH

Who we are	3
What we do	4

## 5

### Financial review

Condensed consolidated statement of financial position	5
Condensed consolidated statement of profit or loss and other comprehensive income	5
Condensed consolidated statement of changes in equity	6
Computation of headline earnings	7
Computation of per share information	7
Condensed consolidated statement of cash flows	7
Basis of presentation of results	8
Auditor's report	8
Other reviewed disclosures	10

## 14

### Portfolio review

Atterbury	15
Integer	21
Diversity	22

## 23

### Performance and outlook

External environment	23
Financial performance	23
Net asset value breakdown	25
Declaration of special dividend	27
Outlook	27

## 28

### Administration

### Basis of preparation

This report covers the reviewed condensed financial results of RMB Holdings Limited (RMH) for the six months ended 30 September 2023.

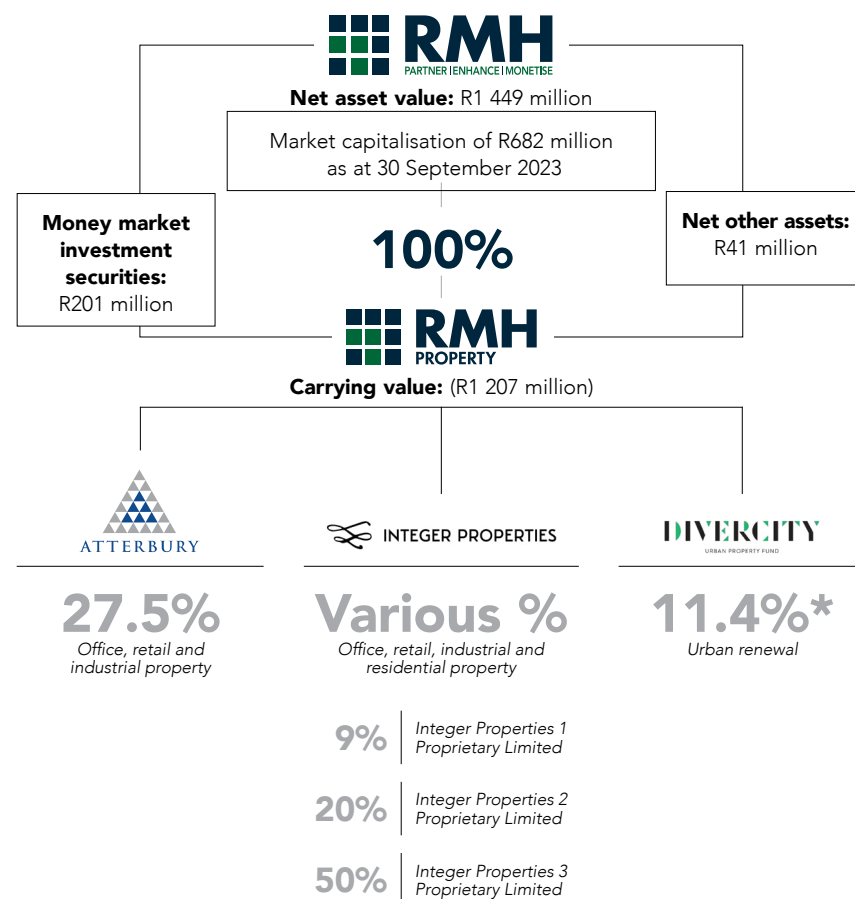
The financial director, Ellen Marais CA(SA), prepared these financial results under the supervision of Brian Roberts BCom (Hons), the chief executive officer, which were independently reviewed by RMH's auditor.

Audited results for the six months ended 30 September 2023 will be released on or about 31 January 2024.

The board of directors of RMH take full responsibility for these results.

# About RMH

## Who we are



	Atterbury	Integer	Divercity	RMH Property
<b>Date acquired</b>	July 2016	December 2016 and September 2018	October 2018	July 2016
<b>Cost of equity (R million)</b>	<b>484</b> <small>(31 March 2023: 484)</small>	<b>32</b> <small>(31 March 2023: 32)</small>	<b>157</b> <small>(31 March 2023: 157)</small>	
<b>Contributions to RMH Property (%)</b>	<b>79</b>	<b>14</b>	<b>7</b>	<b>100</b>
<b>Carrying value, including loans (R million)</b>	<b>953</b> <small>(31 March 2023: 476)</small>	<b>167</b> <small>(31 March 2023: 204)</small>	<b>87</b> <small>(31 March 2023: 97)</small>	<b>1 207</b> <small>(31 March 2023: 777)</small>
<b>Change in carrying value, including loans (%)</b>	<b>&gt;100</b>	<b>(18)</b>	<b>(10)</b>	<b>55</b>

\* RMH Property's interest in Divercity is treated as a fair value investment.

## What we do

RMH is a listed investment holding company with a stated strategy of monetisation. After the unbundling of RMH's last financial services investment, its 34% interest in FirstRand Limited in June 2020, the most significant asset remaining in RMH is its investment in RMH Property.

As communicated to shareholders in June 2020, RMH implemented a change in its corporate strategy, namely moving from being a patient long-term strategic shareholder extracting value through a constant dividend yield to being an investment holding company with a definitive three-to-five-year period of monetising the underlying investments. This change in strategy followed as a consequence of the unbundling of RMH's interest in FirstRand and was implemented in close consultation with RMH shareholders owning more than 50% of RMH.

To date, in line with this strategy, RMH has:

■ Paid a special dividend of R1.1 billion to shareholders on 10 May 2021.

■ Disposed of its equity interest in Atterbury Europe to Brightbridge Real Estate Limited on 7 September 2022.

■ Paid a special dividend of R2 billion on 10 October 2022.

■ Post 30 September 2023, declared a special dividend of R327 million to shareholders.

RMH has returned 69% of the value of the June 2020 net asset value in execution of its monetisation strategy in the form of special dividends. Management continues to explore opportunities to monetise the remaining assets in the portfolio in a manner that best promotes value creation for its shareholders.

RMH's share price on 30 September 2023 of 49 cents (31 March 2023: 49 cents) is 53% (31 March 2023: 51%) of the IFRS net asset value of 104.0 cents per share (31 March 2023: 100.3 cents per share). This is not out of the ordinary compared to other listed property entities which continue to trade at a discount to net asset value at an average of 54%.

In relation to RMH Property and its remaining investee companies, RMH will continue, as guided by its strategy, to execute its role as a supportive, committed and enabling shareholder.

RMH's ordinary dividend policy is to pay no dividends, distributions will only be made as assets are monetised.

In keeping with this policy and following the settlement of the Atterbury loan and post the receipt of repayments on the Integer loan, shareholders are referred to page 27.

# Financial review

RMH's increase in net asset value to R1 449 million from R1 416 million as at 31 March 2023, set out below, was predominantly as a result of the underlying increase in the net asset value of Atterbury Property Holdings Proprietary Limited (Atterbury).

Further detail is set out on page 23 of this report.

## Condensed consolidated statement of financial position

R million	As at		% change	Audited 31 March 2023
	Reviewed 30 September 2023	Unaudited 30 September 2022		
<b>ASSETS</b>				
<b>Current assets</b>				
Cash and cash equivalents	84	89	(6)	94
Investment securities	315	2 780	(89)	772
Loans and receivables	514	1	>100	5
Taxation receivable	1	2	(50)	3
<b>Non-current assets</b>				
Loans and receivables	33	182	(82)	204
Investment in associates and joint ventures	550	433	27	448
<b>Total assets</b>	<b>1 497</b>	<b>3 487</b>	<b>(57)</b>	<b>1 526</b>
<b>EQUITY</b>				
Share capital and premium	8 538	8 825	(3)	8 574
Reserves	(7 089)	(5 457)	(30)	(7 158)
<b>Total equity</b>	<b>1 449</b>	<b>3 368</b>	<b>(57)</b>	<b>1 416</b>
<b>LIABILITIES</b>				
<b>Current liabilities</b>				
Trade and other payables	32	34	(6)	32
Provisions	2	42	(95)	61
Taxation payable	–	–	–	1
Financial liabilities	–	–	–	5
<b>Non-current liabilities</b>				
Financial liabilities	–	5	(100)	–
Long-term liabilities	14	38	(63)	11
<b>Total liabilities</b>	<b>48</b>	<b>119</b>	<b>(60)</b>	<b>110</b>
<b>Total equity and liabilities</b>	<b>1 497</b>	<b>3 487</b>	<b>(57)</b>	<b>1 526</b>

## Condensed consolidated statement of profit or loss and other comprehensive income

R million	For the six months ended		% change	Audited 12 months ended 31 March 2023
	Reviewed 30 September 2023	Unaudited 30 September 2022		
Investment income	19	13	46	33
Share of after-tax profit of associates and joint ventures	53	112	(53)	126
<b>Revenue</b>	<b>72</b>	<b>125</b>	<b>(42)</b>	<b>159</b>
Loss on sale of Atterbury Europe	–	(585)	100	(589)
Fee income	1	2	(50)	5
Fair value gains on financial assets and liabilities	11	16	(31)	38
Net ECL increase	(34)	–	(100)	(3)
<b>Net income/(loss)</b>	<b>50</b>	<b>(442)</b>	<b>&gt;100</b>	<b>(390)</b>
Operating expenses <sup>1</sup>	(27)	(63)	57	(29)
<b>Income/(loss) from operations</b>	<b>23</b>	<b>(505)</b>	<b>&gt;100</b>	<b>(419)</b>
Income tax expense	(8)	(9)	11	(21)
<b>Profit/(loss) for the period</b>	<b>15</b>	<b>(514)</b>	<b>&gt;100</b>	<b>(440)</b>
Profit/(loss) attributable to: Ordinary equity holders of the company	15	(514)	>100	(440)
<b>Profit/(loss) for the period</b>	<b>15</b>	<b>(514)</b>	<b>&gt;100</b>	<b>(440)</b>
<b>Other comprehensive income/(loss), after tax items that may subsequently be reclassified to profit or loss</b>				
Exchange difference on translating foreign operations	–	140	(100)	140
Reclassification of accumulated comprehensive income of Atterbury Europe	–	(166)	100	(166)
<b>Other comprehensive loss</b>	<b>–</b>	<b>(26)</b>	<b>100</b>	<b>(26)</b>
<b>Total comprehensive income/(loss) for the period</b>	<b>15</b>	<b>(540)</b>	<b>&gt;100</b>	<b>(466)</b>
– Attributable to ordinary equity holders of the company	15	(540)	>100	(466)
<b>Earnings/(loss) per share (cents)</b>				
– Basic	1.1	(37.0)	>100	(31.9)
– Diluted	1.1	(37.0)	>100	(31.9)

<sup>1</sup> Operating expenses include the amortisation of the forfeitable share plan of R13 million, legal costs of R5 million relating to the Atterbury loan settlement and the reversal of R8 million provision balance following the repurchase of shares in terms of section 164 of the Companies Act. Refer to page 24 for more details on expenses.

## Condensed consolidated statement of changes in equity

R million	Share capital and premium	Equity-accounted reserves	Foreign currency translation reserves	Other reserves	Retained earnings	Equity of ordinary equity holders
Balance as at 1 April 2022 (Audited)	8 825	1 727	26	(18)	(6 650)	3 910
Total comprehensive loss	–	–	(26)	–	(440)	(466)
Special dividends paid	(251)	–	–	–	(1 723)	(1 974)
Special dividend received on treasury shares	–	–	–	–	18	18
Income of associate released	–	(1 591)	–	–	1 591	–
Share option expense – IFRS 2	–	–	–	3	–	3
Movement in treasury shares	–	–	–	(67)	(8)	(75)
Reserve movements relating to associates	–	24	–	–	(24)	–
<b>Balance as at 31 March 2023 (Audited)</b>	<b>8 574</b>	<b>160</b>	<b>–</b>	<b>(82)</b>	<b>(7 236)</b>	<b>1 416</b>
Balance as at 1 April 2023 (Audited)	<b>8 574</b>	<b>160</b>	<b>–</b>	<b>(82)</b>	<b>(7 236)</b>	<b>1 416</b>
Shares repurchased in terms of section 164 of the Companies Act	<b>(36)</b>	–	–	–	–	<b>(36)</b>
Total comprehensive income	–	–	–	–	<b>15</b>	<b>15</b>
Special dividend received on treasury shares in escrow released	–	–	–	–	<b>(7)</b>	<b>(7)</b>
Income of associate retained	–	<b>49</b>	–	–	<b>(49)</b>	–
Share option expense – IFRS 2	–	–	–	<b>(2)</b>	–	<b>(2)</b>
Movement in treasury shares	–	–	–	<b>58</b>	<b>3</b>	<b>61</b>
Reserve movements relating to associates	–	<b>2</b>	–	–	–	<b>2</b>
<b>Balance as at 30 September 2023 (Reviewed)</b>	<b>8 538</b>	<b>211</b>	<b>–</b>	<b>(26)</b>	<b>(7 274)</b>	<b>1 449</b>
Balance as at 1 April 2022 (Audited)	8 825	1 727	26	(18)	(6 650)	3 910
Total comprehensive loss	–	–	(26)	–	(514)	(540)
Equity-accounted reserves released	–	(1 606)	–	–	1 606	–
Share option expense – IFRS 2	–	–	–	3	–	3
Movement in treasury shares	–	–	–	(5)	–	(5)
Reserve movements relating to associates	–	24	–	–	(24)	–
<b>Balance as at 30 September 2022 (Unaudited)</b>	<b>8 825</b>	<b>145</b>	<b>–</b>	<b>(20)</b>	<b>(5 582)</b>	<b>3 368</b>

## Computation of headline earnings

R million	For the six months ended		% change	Audited 12 months ended 31 March 2023
	Reviewed 30 September 2023	Unaudited 30 September 2022		
Profit/(loss) attributable to equity holders	15	(514)	>100	(440)
Adjusted for:				
RMH's share of adjustments made by RMH Property and its associates				
– RMH Property's associates' adjustments	(34)	(18)		11
– Loss on sale of Atterbury Europe	–	585		589
<b>Headline (loss)/earnings</b>	<b>(19)</b>	<b>53</b>	<b>&gt;(100)</b>	<b>160</b>

## Computation of per share information

R million	For the six months ended		% change	Audited 12 months ended 31 March 2023
	Reviewed 30 September 2023	Unaudited 30 September 2022		
Earnings/(loss) attributable to equity holders	15	(514)	>100	(440)
Headline (loss)/earnings attributable to equity holders	(19)	53	>(100)	160
Net asset value	1 449	3 368	(57)	1 416
Net asset value excluding cash earmarked for special dividend	1 122	1 395	20	1 416
Number of shares in issue (millions)	1 392.9	1 411.7	(1)	1 411.7
Weighted average number of shares in issue (millions)	1 343.3	1 388.7	(3)	1 380.9
Diluted weighted average number of shares in issue (millions)	1 343.3	1 388.7	(3)	1 380.9
Earnings/(loss) per share (cents)	1.1	(37.0)	>100	(31.9)
Diluted earnings/(loss) per share (cents)	1.1	(37.0)	>100	(31.9)
Headline (loss)/earnings per share (cents)	(1.4)	3.8	>(100)	11.6
Diluted headline (loss)/earnings per share (cents)	(1.4)	3.8	>(100)	11.6
Dividend per share (cents)	–	–	–	141.7
Net asset value per share (cents)	104.0	238.6	(56)	100.3
Net asset value excluding cash earmarked for special dividend (cents)	104.0	98.9	5	100.3

## Condensed consolidated statement of cash flows

R million	For the six months ended		% change	Audited 12 months ended 31 March 2023
	Reviewed 30 September 2023	Unaudited 30 September 2022		
<b>Cash flow from operating activities</b>				
Cash invested in operations	(24)	–		(3)
Interest received	3	13		16
Income tax paid	(7)	(11)		(23)
<b>Net cash (utilised)/generated in operating activities</b>	<b>(28)</b>	<b>2</b>	<b>&gt;(100)</b>	<b>(10)</b>
<b>Cash flow from investing activities</b>				
Loans repaid by associates and joint ventures	78	25		–
Loans granted to associates and joint ventures	(487)	(12)		(27)
Loan to Atterbury Europe sold	–	–		25
Additions to investment securities	(65)	(1 747)		(1 815)
Disposal of investment securities	528	36		2 096
Proceeds on disposal of Atterbury Europe	–	1 709		1 725
<b>Net cash inflow from investment activities</b>	<b>54</b>	<b>11</b>	<b>&gt;100</b>	<b>2 004</b>
<b>Cash flow from financing activities</b>				
Treasury shares bought	–	–		(20)
Shares repurchased in terms of section 164 of the Companies Act	(36)	–		–
Special dividend received on treasury shares	–	–		18
Special dividend paid to equity holders as a return of capital	–	–		(251)
Special dividend paid to equity holders	–	–		(1 723)
<b>Net cash outflow to financing activities</b>	<b>(36)</b>	<b>–</b>	<b>(100)</b>	<b>(1 976)</b>
<b>Net (decrease)/increase in cash and cash equivalents</b>	<b>(10)</b>	<b>13</b>		<b>18</b>
Cash and cash equivalents at the beginning of the period	94	76		76
<b>Cash and cash equivalents at the end of the period</b>	<b>84</b>	<b>89</b>	<b>(6)</b>	<b>94</b>

## Basis of presentation of results

The results for the six months ended 30 September 2023 contained in this booklet are prepared in accordance with the JSE Listings Requirements for condensed results.

This report is prepared in accordance with:

- The framework concepts and the recognition and measurement requirements of IFRS, including interpretations issued by the IFRS Interpretations Committee and for a South African company, the SA financial reporting requirements (as applicable);
- Financial Reporting Pronouncements as issued by the Financial Reporting Standards Council;
- The SAICA Financial Reporting Guide as issued by the Accounting Practices Committee; and
- As a minimum, the information required by IAS 34: *Interim Financial Reporting*.

RMH has adopted net asset value per share as a benchmark for trading statement purposes as permitted in terms of paragraph 3.4(b)(vi) of the JSE Listings Requirements. This approach should be considered within the context of RMH's strategy of monetisation and associated discounts to net asset value being achieved for asset sales, as referenced on page 4 of this report.

## Accounting policies

These condensed results incorporate accounting policies that are in terms of IFRS and consistent with those used in preparing the audited financial results for the year ended 31 March 2023.

### The following amendments were applicable from 1 January 2023:

Title	Effective date
<i>IFRS 17</i> (including the June 2020 amendments to <i>IFRS 17</i> ) Insurance Contracts	1 January 2023
Amendments to <i>IAS 1</i> Classification of Liabilities as Current or Non-current	1 January 2023
Amendments to <i>IAS 1</i> and <i>IFRS Practice Statement 2</i> Disclosure of Accounting Policies	1 January 2023
Amendments to <i>IFRS 4</i> Extension of the Temporary Exemption from Applying <i>IFRS 9</i>	1 January 2023
Amendments to <i>IAS 12</i> Tax Reform-Pillar Two Model Rules	1 January 2023
Amendments to <i>IAS 16</i> Lease Liability in a Sale and Leaseback	1 January 2023
Amendments to <i>IAS 7</i> and <i>IFRS 17</i> Supplier Finance Arrangements	1 January 2023
Amendments to <i>IAS 1</i> Non-current Liabilities with covenants	1 January 2023

None of the new or amended IFRS which became effective for the six months ended 30 September 2023 had a significant impact on the group's reported earnings, financial position or reserves, or the accounting policies.

## Auditor's report

The condensed consolidated financial statements for the six months ended 30 September 2023 contained in this booklet have been reviewed by Deloitte & Touche in terms of *International Standard on Review Engagements (ISRE) 2410*. They expressed an unmodified reviewed conclusion. The auditor's report does not necessarily report on all of the information contained in these financial results.

A copy of the auditor's review report is included on page 9.

Any forward-looking information has not been commented on or reported on by the group's external auditor. The directors take full responsibility for the preparation of this booklet.





Private Bag X6  
Gallo Manor 2052  
South Africa

Deloitte & Touche  
Registered Auditors  
Accounting & Auditing  
Deloitte  
5 Magwa Crescent  
Waterfall City  
Waterfall  
DoceX 10 Johannesburg

Tel: +27 (0)11 806 5200  
www.deloitte.com

### Independent auditor's review report on the Condensed Consolidated Financial Statements

To the shareholders of RMB Holdings Limited

We have reviewed the condensed consolidated financial statements of RMB Holdings Limited, included on pages 5 to 13, which comprises the condensed consolidated statement of financial position as at 30 September 2023 and the condensed consolidated statement of profit or loss and other comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the period then ended, and selected explanatory notes.

### Directors' Responsibility for the Condensed Consolidated Financial Statements

The directors are responsible for the preparation and presentation of these condensed consolidated financial statements in accordance with the requirements of the JSE Limited Listing Requirements for condensed financial statements as set out under the title "Basis of presentation of results", and the requirements of the Companies Act of South Africa and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

The Listings Requirements require condensed consolidated financial statements to be prepared in accordance with the framework concepts and the measurement and recognition requirements of International Financial Reporting Standards (IFRS), the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and Financial Pronouncements as issued by the Financial Reporting Standards Council and to also, contain the information required by International Accounting Standard (IAS) 34, *Interim Financial Reporting*.

### Auditor's Responsibility

Our responsibility is to express a conclusion on these financial statements. We conducted our review in accordance with International Standard on Review Engagements (ISRE) 2410, which applies to a review of historical information performed by the Independent Auditor of the Entity. ISRE 2410 requires us to conclude whether anything has come to our attention that causes us to believe that the financial statements are not prepared in all material respects in accordance with the applicable financial reporting framework. This standard also requires us to comply with relevant ethical requirements.

A review of financial statements in accordance with ISRE 2410 is a limited assurance engagement. We perform procedures, primarily consisting of making inquiries of management and others within the entity, as appropriate, and applying analytical procedures, and evaluate the evidence obtained.

The procedures performed in a review are substantially less than those performed in an audit conducted in accordance with International Standards on Auditing. Accordingly, we do not express an audit opinion on these financial statements.

### Other Matter

The condensed consolidated financial statements for the period ended 30 September 2023 includes unaudited/unreviewed results from the period ended 30 September 2022 as a comparative along with previous year end audited results as an additional comparative. This is due to RMB Holdings Limited changing its year end from 31 March 2023 to 30 September 2023. Our opinion is not modified in respect of this matter.

### Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the condensed consolidated financial statements of RMB Holdings Limited for the period ended 30 September 2023, are not prepared, in all material respects, in accordance with the requirements of the JSE Limited Listings Requirements for condensed financial statements reports, as set out under the title "Basis of presentation of results", and the requirements of the Companies Act of South Africa.



**Deloitte & Touche**  
Registered Auditor  
Per: Patrick Kleb  
Partner

12 December 2023



National Executive: \*R Redfearn Chief Executive Officer \*GM Berry Chief Operating Officer JW Eshun Managing Director Businesses LN Mahluza Chief People Officer \*N Sing Chief Risk Officer AP Theophanides Chief Sustainability Officer \*NA le Riche Chief Growth Officer \*ML Tshabalala Audit & Assurance AM Babu Consulting TA Odukoya Financial Advisory G Rammego Risk Advisory DI Kubeka Tax & Legal DP Ndlovu Chair of the Board

A full list of partners and directors is available on request

\* Partner and Registered Auditor

**B-BBEE rating: Level 1 contribution in terms of the DTI Generic Scorecard as per the amended Codes of Good Practice**

Associate of Deloitte Africa, a Member of Deloitte Touche Tohmatsu Limited

## Other reviewed disclosures

### Fair value measurements and analysis of assets and liabilities

This note provides information about the judgements and estimates made to determine the fair values of the financial instruments that are recognised and measured at fair value in the condensed consolidated financial statements. To provide an indication of the reliability of the inputs used in determining fair value, the group has classified its financial instruments into the three levels prescribed under the accounting standards. An explanation of each level is reflected on page 11.

### Valuation methodology applied

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, i.e., an exit price.

Fair value is therefore a market-based measurement and, when measuring fair value, RMH uses the assumptions that market participants would use when pricing an asset or liability under current market conditions, including assumptions about risk. When determining fair value, it is presumed that the entity is a going concern and the fair value is therefore not an amount that represents a forced transaction, involuntary liquidation or a distressed sale.

### Fair value measurement

Fair value measurements are determined on both a recurring and non-recurring basis.

### Recurring fair value measurements

Recurring fair value measurements are those for assets and liabilities that IFRS requires or permits to be recognised at fair value and are recognised in the statement of financial position at the reporting date. This includes financial assets, financial liabilities and non-financial assets.

### Other fair value measurements

Other fair value measurements include assets and liabilities not measured at fair value but for which fair value disclosures are required under another IFRS standard, e.g., financial instruments at amortised cost. The fair values of these items are determined by using observable quoted market prices where these are available, or in accordance with generally acceptable pricing models such as a discounted cash flow analysis.

### Fair value hierarchy and measurements

R million	Level 1	Level 2	Level 3	Total
<b>As at 30 September 2023 (Reviewed)</b>				
<i>Recurring fair value measurements</i>				
<b>Financial assets measured at fair value</b>				
Investment securities	201	27	87	315
<b>Fair value of financial assets</b>	<b>201</b>	<b>27</b>	<b>87</b>	<b>315</b>
<i>Recurring fair value measurements</i>				
<b>Financial liabilities measured at fair value</b>				
Financial liabilities	–	–	–	–
<b>Fair value of financial liabilities</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
<b>As at 30 September 2022 (Unaudited)</b>				
<i>Recurring fair value measurements</i>				
<b>Financial assets measured at fair value</b>				
Investment securities	2 688	–	92	2 780
Loans and receivables	1	–	–	1
<b>Fair value of financial assets</b>	<b>2 689</b>	<b>–</b>	<b>92</b>	<b>2 781</b>
<i>Recurring fair value measurements</i>				
<b>Financial liabilities measured at fair value</b>				
Financial liabilities	–	–	5	5
<b>Fair value of financial liabilities</b>	<b>–</b>	<b>–</b>	<b>5</b>	<b>5</b>
<b>As at 31 March 2023 (Audited)</b>				
<i>Recurring fair value measurements</i>				
<b>Financial assets measured at fair value</b>				
Investment securities	647	28	97	772
<b>Fair value of financial assets</b>	<b>647</b>	<b>28</b>	<b>97</b>	<b>772</b>
<i>Recurring fair value measurements</i>				
<b>Financial liabilities measured at fair value</b>				
Financial liabilities	–	–	5	5
<b>Fair value of financial liabilities</b>	<b>–</b>	<b>–</b>	<b>5</b>	<b>5</b>

Valuations based on observable inputs include:

- **Level 1** – Fair value is based on quoted market prices (unadjusted) in active markets for identical instruments as measured on the reporting date. An active market is one in which transactions occur with sufficient volume and frequency to reliably provide pricing information on an ongoing basis.
- **Level 2** – Fair value is determined through valuation techniques based on observable market inputs. These valuation techniques maximise the use of observable market data where available and rely as little as possible on entity-specific estimates.
- **Level 3** – Fair value is determined through valuation techniques that use significant unobservable inputs.

### Financial assets

The table below sets out the valuation techniques applied by RMH for fair value measurements of financial assets categorised as Level 3 assets in the fair value hierarchy:

Instrument	Valuation technique	Description of valuation technique and main assumptions	Unobservable inputs
<b>Loans and receivables including loans to associates and joint ventures</b>	Discounted cash flows	The future cash flows are discounted using a market-related interest rate adjusted for credit inputs over the contractual period.	Interest rates
<b>Investment securities – unlisted equity investments</b>	Net asset value per share of underlying investment	The unlisted investment relates to Divercity. Divercity's primary business is long-term investing in urban renewal, income-generating properties and developments in South Africa. Given the asset-intense investment and inconsistent earnings, it remains appropriate that the base to value the investment is a market-related net asset value basis.  These valuations are supported by external valuations. RMH has, however, applied a minority discount of 20%. Minority and illiquidity discounts are widely-accepted investment principles, investors should bear this in mind when making investment decisions.	Net asset value and minority discount

### Reconciliation of Level 3 assets measured at fair value

	For the six months ended		% change	Audited 12 months ended 31 March 2023
	Reviewed 30 September 2023	Unaudited 30 September 2022		
R million				
Balance at the beginning of the period	97	134		134
Disposals	–	(25)		(24)
Fair value movement recognised in profit or loss	(10)	(17)		(13)
Balance at the end of the period	87	92	(5)	97

### Financial liabilities

The table below sets out the valuation techniques applied by RMH for fair value measurements of financial liabilities categorised as Level 3 liabilities in the fair value hierarchy:

Instrument	Valuation technique	Description of valuation technique and main assumptions	Unobservable inputs
<b>Financial guarantee contracts</b>	Discounted cash flows	The present value of the cumulative unearned fee received in exchange for providing the guarantee.	Discount rate

### Reconciliation of Level 3 liabilities measured at fair value

	For the six months ended		% change	Audited 12 months ended 31 March 2023
	Reviewed 30 September 2023	Unaudited 30 September 2022		
R million				
Balance at the beginning of the period	5	7		7
Fair value movement recognised in profit or loss	(5)	(2)		(2)
Balance at the end of the period	–	5	(100)	5

## Segmental information

Following the sale of Atterbury Europe, the disclosure of segmental information, specifically the geographic segmental information RMH had previously disclosed, is no longer relevant given that the remainder of the assets in RMH Property are based in South Africa.

RMH does not otherwise have operating segments with revenue, absolute profit or loss for the period or total assets representing 10% or more of all total revenue, total profit or loss or total assets.

## Loss on sale of Atterbury Europe

	For the period ended
R million	7 September 2022
Carrying value at the beginning of the period	(2 239)
Foreign exchange increase	(140)
Equity-accounted earnings for the period	(81)
Carrying value as at 7 September 2022	(2 460)
Proceeds on disposal of Atterbury Europe	1 750
Loan repaid	(25)
Reclassification of accumulated comprehensive income of Atterbury Europe	166
Transaction costs <sup>1</sup>	(20)
<b>Loss on disposal of Atterbury Europe</b>	<b>(589)</b>

<sup>1</sup> The loss on disposal for period ended 30 September 2022 was R585 million as a result of an increase in transaction cost of R4 million post 30 September 2022 it increased to R589 million.

## Contingencies and commitments

R million	For the six months ended		% change	Audited 12 months ended 31 March 2023
	Reviewed 30 September 2023	Unaudited 30 September 2022		
Financial guarantees provided on behalf of associates	–	534	(100)	489
Contingent liability relating to post-redemption liabilities of preference shares	<b>46</b>	46	–	46
Sureties on behalf of associates and joint ventures	<b>30</b>	30	–	30
Loan funding committed to associates and joint ventures	–	37	(100)	13
<b>Total contingencies and commitments</b>	<b>76</b>	<b>647</b>	<b>(88)</b>	<b>578</b>

## Subsequent events

### Atterbury

On 21 August 2023, RMH, RMH Asset Holding Company Proprietary Limited (RMHAH) and Atterbury jointly announced that they had entered into an agreement regarding the dispute over the repayment terms of a R487 million loan facility. The salient terms of the agreement were as follows:

- R162 million (the base loan) would be repayable by Atterbury to RMHAH in cash by 31 December 2023 (the repayment date) and would earn interest at JIBAR plus 2.75%. Interest would be serviced on the repayment date;
- On the date that the base loan was fully repaid, Atterbury would settle the balance of the loan, being R325 million, through the issuance of shares in Atterbury to RMHAH or its nominee, calculated at the Atterbury June 2023 IFRS NAV; and
- Atterbury would present its audited consolidated annual financial statements to RMH's shareholders when ready and Atterbury management would avail themselves to answer any questions RMH shareholders may have in this regard.

On 24 August 2023 Atterbury repaid R65 million of the base loan and on 24 October 2023 Atterbury repaid the outstanding balance, including interest in full. The balance of the loan, being R325 million, was settled by Atterbury through the issuance of 17 876 140 ordinary shares to RMH on 6 November 2023. This brings RMH's interest in Atterbury to 38.5%.

### Integer

On 17 May 2023, RMH gave notice to Integer 3 that it will not exercise its equity conversion right with respect to its shareholder loan. The disproportionate shareholders' loan was due and payable on 17 November 2023 (R133 million as at 31 March 2023). During the period, RMH received R13.5 million from Integer 3 as a consequence of an investment by RMH's co-shareholder. Subsequent to 30 September 2023, the loan reduced by a further R83.9 million, partially funded from proceeds of the sale of shares in Milanick Properties Proprietary Limited and partially by a further investment in Integer 3 by RMH's co-shareholder.

### Diversity

Diversity secured another capital raise of R555 million, RMH did not participate and as a result its shareholding will dilute.

## Going concern

The condensed consolidated financial statements have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business.

The directors have satisfied themselves that the group is in a sound financial position and that it has access to sufficient cash reserves and borrowing facilities over the next 12 months to meet its cash requirements. The directors are not aware of any new material changes that may adversely impact the group. The directors are also not aware of any material non-compliance with statutory or regulatory requirements or of any pending changes to legislation which may affect the group and/or company. In making the above assessment, the directors considered the following:

### Solvency

As at 30 September 2023, the group had a positive net asset value of R1.4 billion (31 March 2023: R1.4 billion) and its current assets exceeded its current liabilities by R880 million (31 March 2023: R775 million).

### Liquidity

As at 30 September 2023, the group had available liquidity of R239 million (31 March 2023: R206 million) comprising unrestricted cash, cash equivalents and listed unit trusts. The directors have reviewed the group's cash flow forecasts for the next 12 months and, in light of this review and the current financial position, the directors believe that the group has adequate financial resources to continue to operate for the ensuing 12-month period.

Accordingly, the reviewed condensed results have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business. The directors have satisfied themselves that the group is in a sound financial position and that they have access to sufficient cash reserves over the next 12 months to meet their cash requirements.

# Portfolio review

R million	For the six months ended 30 September 2023 (Reviewed)				For the six months ended 30 September 2022 (Unaudited)					For the year ended 31 March 2023 (Audited)				
	Atterbury	Integer	Divercity	Total	Atterbury* Europe	Atterbury <sup>1</sup>	Integer	Divercity	Total	Atterbury Europe	Atterbury	Integer	Divercity	Total
<b>Financial position</b>														
Current assets	2 254	100	–	2 354	–	1 350	55	–	1 405	–	1 542	50	–	1 592
Non-current assets	7 140	325	–	7 465	–	7 794	456	–	8 250	–	7 742	447	–	8 189
<b>Total assets</b>	<b>9 394</b>	<b>425</b>	<b>–</b>	<b>9 819</b>	<b>–</b>	<b>9 144</b>	<b>511</b>	<b>–</b>	<b>9 655</b>	<b>–</b>	<b>9 284</b>	<b>497</b>	<b>–</b>	<b>9 781</b>
Current liabilities	1 707	40	–	1 747	–	831	18	–	849	–	1 736	9	–	1 745
Non-current liabilities	5 077	526	–	5 603	–	6 041	579	–	6 620	–	5 126	579	–	5 705
<b>Total liabilities</b>	<b>6 784</b>	<b>566</b>	<b>–</b>	<b>7 350</b>	<b>–</b>	<b>6 872</b>	<b>597</b>	<b>–</b>	<b>7 469</b>	<b>–</b>	<b>6 862</b>	<b>588</b>	<b>–</b>	<b>7 450</b>
Non-controlling interest	793	6	–	799	–	718	5	–	723	–	792	5	–	797
<b>Net asset value</b>	<b>1 817</b>	<b>(147)</b>	<b>953</b>	<b>2 623</b>	<b>–</b>	<b>1 554</b>	<b>(91)</b>	<b>1 011</b>	<b>2 474</b>	<b>–</b>	<b>1 630</b>	<b>(96)</b>	<b>1 065</b>	<b>2 599</b>
RMH Property's share	500	–	87	587	–	427	6	92	525	–	448	–	97	545
Loans and other assets	453	167	–	620	–	32	182	–	214	–	28	204	–	232
<b>Carrying value</b>	<b>953</b>	<b>167</b>	<b>87</b>	<b>1 207</b>	<b>–</b>	<b>459</b>	<b>188</b>	<b>92</b>	<b>739</b>	<b>–</b>	<b>476</b>	<b>204</b>	<b>97</b>	<b>777</b>
<b>Performance</b>														
Revenue	525	11	–	536	–	511	22	–	533	–	1 033	41	–	1 074
Net profit/(loss)	183	(22)	–	161	216	168	(61)	–	323	–	320	(65)	–	255
Other comprehensive income	1	–	–	1	–	–	–	–	–	–	2	–	–	2
<b>Total comprehensive income/(loss)</b>	<b>184</b>	<b>(22)</b>	<b>–</b>	<b>162</b>	<b>216</b>	<b>168</b>	<b>(61)</b>	<b>–</b>	<b>323</b>	<b>–</b>	<b>322</b>	<b>(65)</b>	<b>–</b>	<b>257</b>
<b>RMH Property's share of earnings/(loss)</b>	<b>51</b>	<b>(20)</b>	<b>(10)</b>	<b>(21)</b>	<b>81</b>	<b>35</b>	<b>(5)</b>	<b>(20)</b>	<b>91</b>	<b>81</b>	<b>55</b>	<b>(10)</b>	<b>(15)</b>	<b>111</b>
<b>RMH Property's share of headline earnings/(loss)</b>	<b>17</b>	<b>(20)</b>	<b>(10)</b>	<b>(13)</b>	<b>81</b>	<b>(5)</b>	<b>–</b>	<b>(20)</b>	<b>56</b>	<b>81</b>	<b>48</b>	<b>7</b>	<b>(15)</b>	<b>121</b>

\* On 7 September 2022, RMH, through its subsidiary RMH Property Holdco 2 Proprietary Limited, disposed of its 37.5% stake in the total issued A ordinary shares in Atterbury Europe to Brightbridge Real Estate Limited. The investment was equity accounted for practical purposes to 31 August 2022. The total purchased consideration was R1.75 million. This, however, included the sale of the working capital loan provided to Atterbury Europe of R25 million.

<sup>1</sup> The net asset value per the audited Atterbury June 2022 financial statements was adjusted for the dividend in specie of R150 million in preparation of the RMH results as at 30 September 2022.



## Atterbury

**The group is a market leader in property development, with a core team of professionals that has consistently demonstrated the ability to manage development risk in delivering shareholder returns.**

The net asset value of Atterbury increased on a year-to-year basis by R113 million. This was due to increases in the value of underlying investment properties as well as the reclassification of the Castle Gate lifestyle centre together with Castle Gate land value from work in progress to investment property.

Investment property benefited from an increase in underlying valuation of R341 million and additions of R192 million relating to Castle Gate, Pan Africa and Rand Port Industria.

Net operating income on a year-to-year basis increased by 12.1%. This was mainly driven by lease escalations and new developments commencing trade during the year.

Property-related expenses increased by 12.6%, with the biggest increase being municipal expenses that include diesel and generator costs (14.2%). The expenses also include new developments that opened during the year.

Other income benefited from the restructuring of a financial liability. This, however, was offset by the negative fair value movement in the Ascencia shares as a result of the significant decrease in the share price as well as a further decrease in the underlying net asset value of Divercity. Atterbury owns 14.3% of Divercity.

Finance costs increased by 9.4% to R587 million due to the increase in the prime lending rate by 225 bps from July 2022 to June 2023.

Castle Gate, Mall of Africa (20% undivided share), Newtown and The Grove constitute 58% of Atterbury's property portfolio on a net asset value basis.

The table on page 17 contains a summary of the key ratios of Atterbury property portfolio on a business review basis and not necessarily on an IFRS basis.

## Atterbury portfolio

58% of Atterbury's property portfolio on a contribution to net asset value consists out of the following developments:

### Mall of Africa (20% undivided share)



**GLA:** 126 062m<sup>2</sup>

**Location:** Midrand, South Africa

**Major tenants:** Woolworths, Game, Checkers Hyper, Dischem, Cotton-On, Mr Price

### Castle Gate



**GLA:** 25 036m<sup>2</sup>

**Location:** Pretoria, South Africa

**Major tenants:** Woolworths, Checkers, Dischem, Builders Warehouse

### Newtown Precinct



**GLA:** 79 663m<sup>2</sup>

**Location:** Johannesburg, South Africa

**Major tenants:** Nedbank, Capitec, Mr Price, Pick n Pay, Planet Fitness, McDonalds, Shoprite and ABSA

### The Grove



**GLA:** 52 772m<sup>2</sup>

**Location:** Windhoek, Namibia

**Major tenants:** Game, Checkers, Spar, Woolworths, Edgars

Atterbury is well-known for its mixed-use precinct developments – 79% of the portfolio consists of mixed-use and retail developments while the remainder of the portfolio includes 14% commercial and 7% industrial developments. Although Atterbury's commercial properties make up a small portion of the value of the underlying portfolio, Atterbury prides itself on its vacancy rate of 5.6% in comparison to the MSCI South African Real Estate Biannual Index, June 2023 which noted a vacancy rate for commercial properties of 17.2%. The Atterbury group has a strong asset management capability that significantly contributes to the operational performance of its underlying properties.

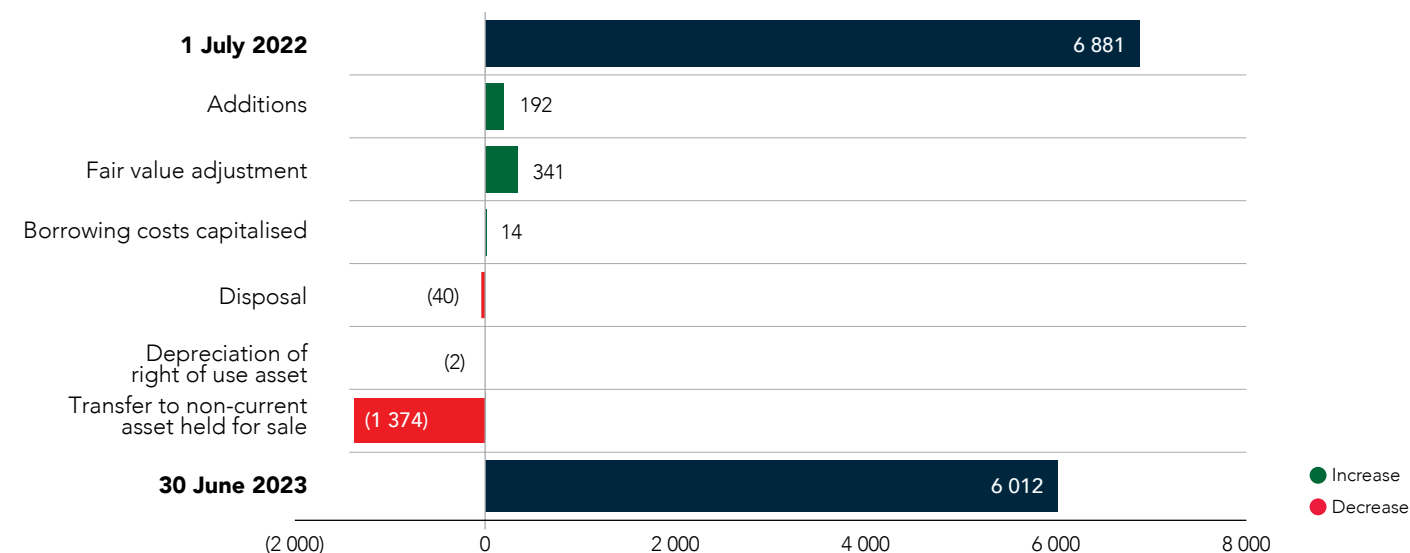


## Return on investment property

The information below is based on Atterbury's effective holding:

R million	For the year ended 30 June 2023								For the year ended 30 June 2022							
	Value	Property income	Property expenses	Atterbury	% of Atterbury property portfolio %	Yield %	Gross lettable area (GLA) m <sup>2</sup>	Vacancy %	Value	Property income	Property expenses	Atterbury	% of Atterbury property portfolio %	Yield %	GLA m <sup>2</sup>	Vacancy %
Mixed-use and retail	4 801	632	(251)	381	79	8.0	219 833	6.5	4 760	571	(235)	336	78	7.1	230 332	4.3
Commercial	841	98	(37)	61	14	7.1	71 627	6.4	859	105	(36)	69	14	8.0	71 594	11.6
Industrial	468	48	(15)	33	7	7.1	36 193		464	31	(15)	16	8	3.4	31 945	–
Land and infrastructure	–	3	(5)	(2)	–	–	–	–	–	3	(4)	(1)	–	–	–	–
Other	–	–	–	–	–	–	3 674	–	–	–	–	–	–	–	3 674	–
<b>Atterbury property portfolio</b>	<b>6 110</b>	<b>781</b>	<b>(308)</b>	<b>473</b>	<b>100</b>	<b>7.8</b>	<b>331 327</b>	<b>5.7</b>	<b>6 083</b>	<b>710</b>	<b>(290)</b>	<b>420</b>	<b>100</b>	<b>6.9</b>	<b>337 545</b>	<b>5.4</b>

Change in investment property on an IFRS basis for the year ended 30 June 2023:



## Return on investment property

The information below is based on 100% of the underlying properties and not Atterbury's effective holding.

	As at 30 June 2023			As at 30 June 2022		
	Weighted average lease expiry (WAL) period years	Lease expiry GLA m <sup>2</sup>	WAL escalation %	WAL period years	Lease expiry GLA m <sup>2</sup>	WAL escalation %
Atterbury property portfolio	3.60	45 752	5.99	4.13	52 966	5.23

## Vacancy

The vacancy information below is based on 100% of the properties, not only Atterbury's effective holding. The sectorial breakdown of the Atterbury property portfolio is as follows:

	For the year ended 30 June							
	GLA		Vacancy		Vacancy based on GLA		Valuation	
	2023 m <sup>2</sup>	2022 m <sup>2</sup>	2023 m <sup>2</sup>	2022 m <sup>2</sup>	2023 %	2022 %	2023 R million	2022 R million
Mixed-use and retail	305 040	306 343	19 554	18 682	6.4	6.1	10 258	9 785
Commercial	108 387	108 344	6 049	6 146	5.6	5.7	2 722	2 686
Industrial	121 910	98 115	–	–	–	–	1 763	1 748
Other	12 832	12 832	–	–	–	–	149	152
Atterbury property portfolio	548 169	525 634	25 603	24 828	4.7	4.7	14 892	14 371

The asset management team has managed to maintain vacancies for buildings managed by Atterbury below 5%.

## Trading densities

A breakdown of the trading densities of the retail portfolio of Atterbury, measured as trading density/m<sup>2</sup>, is as follows:

	Newtown	Pan Africa <sup>1</sup>	Dunes	Dune Phase 2	Grove Mall	Pemba	Castle Gate	Richmond Corner	Mall of Africa	The Village	The Club	Club Medical	Die Klubhuis	Club One	La Gratitude
For the year ended 30 June 2023	2 029	3 024	2 499	1 413	3 751	2 581	7 823	3 480	4 123	4 655	5 487	4 138	5 592	2 947	1 817
For the year ended 30 June 2022	1 951	1 852	2 211	1 231	3 295	2 418	6 517	3 457	3 514	4 813	5 187	4 126	5 315	3 305	1 240
% change	4	63	13	15	14	7	20	1	19	(3)	6	–	5	(11)	47

<sup>1</sup> The Pan Africa Mall did not trade for a period in the comparative period as a result of damages caused by the riots in July 2022. The increase is therefore not completely representative of the increase in trading densities on a normalised basis.

The assets continued to perform well with most trading densities increasing.

## Funding

	For the year ended 30 June					
	Loan-to-value (LTV) (%)		Interest coverage ratio (ICR) (times)		Debt service coverage ratio (DSCR) (times)	
	2023	2022	2023	2022	2023	2022
Mixed-use and retail	62.7	67.1	1.15	1.11	0.93	0.79
Commercial	52.5	58.2	1.23	1.53	0.87	1.00
Industrial	58.0	62.0	1.16	1.21	0.99	0.87
<b>Total portfolio</b>	<b>61.0</b>	<b>65.3</b>	<b>1.16</b>	<b>1.16</b>	<b>0.93</b>	<b>0.82</b>
Land and infrastructure	52.8	63.4	–	–	–	–
Atterbury <sup>1</sup>	68.9	72.6	0.97	1.06	0.75	0.76
<b>Management KPI</b>	<b>65</b>		<b>1.2</b>		<b>1.0</b>	

<sup>1</sup> Atterbury includes head office debt not allocated to a specific sector of the property portfolio and before the settlement and conversion of the RMHAH loan. If the RMHAH loan had been settled by 30 June 2023, the group LTV would have been 64.3% and the ICR 1.09 times.

Key information relating to the funding profile of the group is presented below:

	For the year ended 30 June	
	2023	2022
Average loan term (months)	18.7	24.2
Average term of swaps (months)	12.9	18.1
% of funding linked to variable rate	74.0	87.9
% of funding pool hedge	26.0	12.0
Average cost of funding (% per annum)	10.3	8.9

## Operational performance

The information presented below is based on Atterbury's effective holding:

### Expense ratio

	For the year ended 30 June	
	2023	2022
Gross income (R million)	1 154	1 135
Net expense ratio (%)	32.5	28.1

### Collections

Rolling 12-month collections percentage

	Jul	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
	2022	2022	2022	2022	2022	2022	2023	2023	2023	2023	2023	2023
%												
For the year ended 30 June 2023	83	124	98	97	101	127	91	91	92	98	100	108

## Development pipeline

Atterbury has the following developments:

Name	Sector	Estimated date of completion
King Air – Truworths Distribution Centre	Industrial	November 2023
Castle Gate	Infrastructure	January 2024
Richmond Park	Infrastructure	February 2024
Barlow Park – Phase 1	Mixed-use	April 2024
Castle Gate – Phase 2	Retail	May 2024
Richmond Park – Solar MD	Industrial	June 2024
Pan Africa Mall	Retail	October 2024
Barlow Park – Phase 2	Residential	April 2025

Atterbury has the following land holdings:

Name	Sector	Land area m <sup>2</sup>
Richmond Park	Industrial	211 153
King Air Industria	Industrial	403 962
Randport	Industrial	37 355
Louwlandia Billboard	Commercial	18 781
Castle Gate	Mixed-use	85 304
Old East Precinct	Mixed-use	6 800
Barlow Park	Mixed-use	41 715



## Integer

**Integer Properties was formed in 2010 with the aim of funding reputable property developers who have secured attractive development opportunities but lack the equity to bridge the gap between the level of senior institutional debt and the development cost. Integer provides this equity as an unsecured loan in exchange for shareholding.**

**Integer 1:** RMH only owns 9% of this entity. The remaining two assets were sold and, on 17 October 2023, RMH received R2.6 million in dividends from Integer 1. The other shareholder in Integer 3 used his dividend of R9.3 million to reduce the disproportionate shareholders loan in Integer 3.

**Integer 2:** Integer 2 comprises two properties: a warehouse in Corporate Park South in Midrand, which is occupied by Vermont Sales, and a warehouse in Montagu Gardens in Cape Town, which is occupied by Rialto Foods. Integer 2 currently has a negative net asset value of R137 million. RMH expects no future dividends. The properties have three and eight years remaining on their respective lease terms. Integer 2 has outstanding bank debt amounting to R47 million and other shareholders' loans amounting to R171 million. Notably, RMH has no shareholders' loan to Integer 2. Integer 2 holds cash of R9 million and investments valued at R80 million. Additionally, RMH has a surety obligation of R10.3 million, which will be terminated once the investments are realised and bank debt settled. It is worth noting that the likelihood of the sureties being called upon is minimal. During the period, Integer 2 repaid R27 million on the shareholders' loan. A shareholder, who is also a shareholder of Integer 3, used his R13.5 million to reduce the disproportionate shareholders' loan in Integer 3.

**Integer 3:** RMH owns 50% of this entity. During the period, Integer 3 disposed of the following interests:

- Residential development, Milanick, for R50 million; and
- Its 50% interest in Rand Steam, a medium-sized retail centre in Braamfontein. The proceeds of R14.5 million, together with R50 million from Milanick, were used to reduce the disproportionate shareholders' loan provided by RMH.

**The other assets remaining in Integer 3 are:**

- A call centre in Blackheath occupied by SSD. The lease expires at the end of December 2025 and the property will then either be sold to the other shareholder or taken to auction;
- A purpose-built warehouse in Montagu Gardens in the Western Cape occupied by Robertson and Caine, the second largest luxury yacht builder in the world. The property has a five-year lease that expires on 31 July 2028; and
- A sectional title residential development in Mashishing consisting of 36 units of which 30 units have been sold and are at various stages in the transfer process.
- A 50% share of Millenium.

Millenium is developing Big Tree Estate, an 808 unit residential estate in Northriding which will be completed by the end of the third quarter of 2024. The directors' valuation of the property on completion is less than the expected final total cost. There are a number of factors that contributed to this negative equity on completion, the main factors being:

- The seven phased, five-year project commenced in January 2020. The COVID-19 pandemic caused unavoidable delays and increases in costs of material.
- There has been an increase in the interest rate since 2020.
- Residential rentals have not escalated over the last four years as was forecasted.
- Operating expense, specifically municipal costs, have increased by far more what was forecasted.
- The general lack of liquidity in the SA corporate market has resulted in increased cap rates resulting in decreased valuations.

In summary, an increase in the total cost and a decrease in the expected value have resulted in the proportionate loan being impaired by an expected credit loss (ECL) of R37 million at 30 September 2023.

- The disproportionate shareholders' loan provided to Integer 3 carried an equity conversion right. RMH elected not to exercise the conversion rights. Although significant progress has been made in reducing the disproportionate shareholders' loan, the balance after repayments was R34.5 million. Interest charged on the disproportionate loan has increased to Prime plus 10% with effect from the repayment date. The interest rate of Prime plus 10% may impact the recoverability of the proportionate shareholders' loan.



## Divercity

**Divercity is focused on regenerating South African cities and demonstrating a new model of affordable housing delivery that promotes better urban form.**

Divercity invests exclusively in urban renewal through the development of inner-city (thereby well-located) precincts, which feature a dense mix of affordable rental housing, commercial spaces, a rich mix of urban and social amenities as well as high-quality public spaces.

The model is in contrast to the current dominant model of affordable housing delivery in South Africa, where lower-income households are confined to the urban periphery, far from income opportunities and essential services.

The net asset value of Divercity has decreased further over the period due to the challenging operating environment. It reduced by 12% from R1 065 million at 31 December 2022 to R953 million at 30 June 2023.

Despite the challenging operating environment and the dire state of the Johannesburg CBD, especially the south-eastern CBD where most of Divercity's assets are concentrated, Divercity achieved the following milestones:

- Achieving 95% portfolio occupancy for the first time since the COVID-19 pandemic;
- Undertaking the Barlow Park development and remaining on track for the launch of phase 1 in February 2024;
- Securing Divercity's first development in Cape Town (9 Hopkins); and
- Securing an equity raise of R555 million with a French Social Development Fund, 27Four Investment Managers Proprietary Limited and existing shareholders. RMH did not participate in the capital raise and as a result, RMH's shareholding will decrease to 7.17%.

Although Divercity is in a far better position to deliver on its strategy, it must be measured against the persistent challenges posed by the deteriorating conditions in the Johannesburg CBD.

# Performance and outlook

RMH management continued to consider various options to monetise assets in order to deliver maximum value to our various stakeholders within the limitations of the macroeconomic conditions.

## External environment

RMH's macroeconomic environment is characterised by the following:

- **Low economic growth;**
- High but moderating **inflation and interest** rates;
- **Electricity supply shortages** which disrupt economic activity and increase operating costs for businesses;
- High **unemployment rate;** and
- A **weak Rand.**

RMH's increase in net asset value to R1 449 million from R1 416 million as at 31 March 2023 was predominantly as a result of:

- Atterbury's underlying net asset value improving from R1 630 million to R1 817 million. The underlying investment property valuation benefited from improved net operating income as capitalisation rates and discount rates remained mostly static. This was partially offset by a decrease in the carrying value of Ascencia shares due to a decrease in the underlying share price and the decrease in the carrying value of Divercity;
- The carrying value of Integer decreasing from R204 million to R167 million. This is as a result of a further R11 million in interest accruing on the disproportionate shareholders' loan, a R13.5 million cash repayment and increasing the ECL on the proportionate shareholders' loan by R34 million to R37 million;
- The decrease in the underlying net asset value of Divercity led to a decrease of R10 million in the carrying value of the fair value investment; and
- The RMH net asset value further reduced by R36 million as 18 770 019 shares were bought back in terms of section 164 of the Companies Act.

## Financial performance

### Net asset value

R MILLION

**1 449**  2%

31 March 2023: 1 416  
30 September 2022: 3 368

### Profit for the period

(Excluding Atterbury Europe)

R MILLION

**15**  >100%

30 September 2022: (10)  
31 March 2023: 65

### Equity accounted earnings

(Excluding Atterbury Europe)

R MILLION

**53**  71%

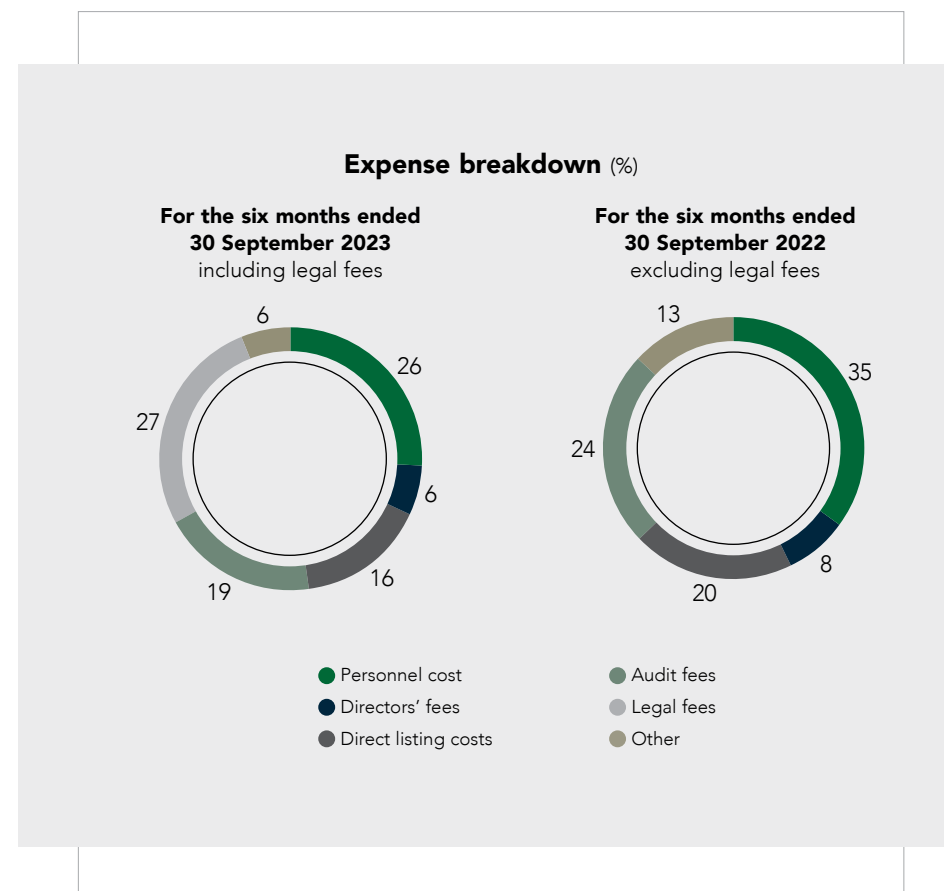
30 September 2022: 31  
31 March 2023: 45

For comparative purposes, RMH delivered an operating profit of R15 million for the period, compared to a loss of R10 million excluding the results of Atterbury Europe from the comparative period. This is mainly as a result of:

- Investment income increasing due to the increased interest accrued on the Integer disproportionate loan and the interest earned on the Atterbury base loan;
- The equity-accounted earnings of Atterbury increasing by R15 million and the non-repeat of the Integer impairment of R5 million in the comparative period;
- Fair value income decreasing by R5 million because of lower investment securities balances compared to the comparative period and the non-repeat of foreign exchange gain made on the settlement of Atterbury Europe operational loan. This was partially offset by a decrease in the fair value loss recognised on Divercity for the current period;
- The operating performance being negatively impacted by an increase of R34 million in the ECL on the Integer 3 proportionate shareholders' loan; and
- Operating expenses decreasing by R36 million due to a provision of R41 million raised in the comparative period in terms of section 164 of the Companies Act. This was partially offset by the legal cost of R5 million relating to the Atterbury loan settlement.

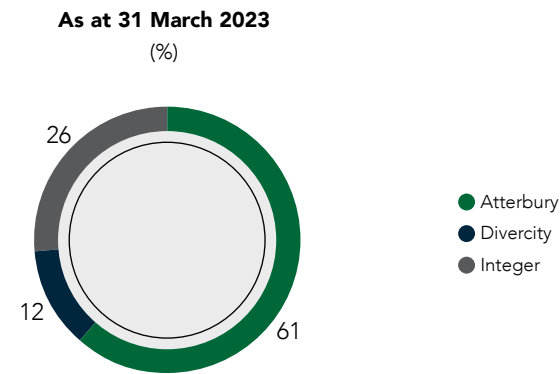
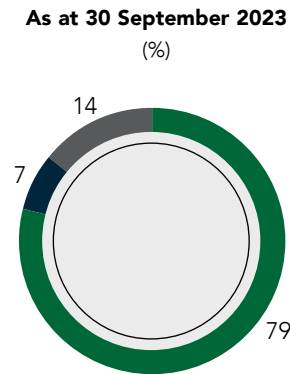
RMH remains committed to keeping its expense base between R20 million and R25 million.

RMH's expense base, excluding the recognition of the cost of the FSP plan that is fully hedged by Treasury shares, can be broken down into the following categories:



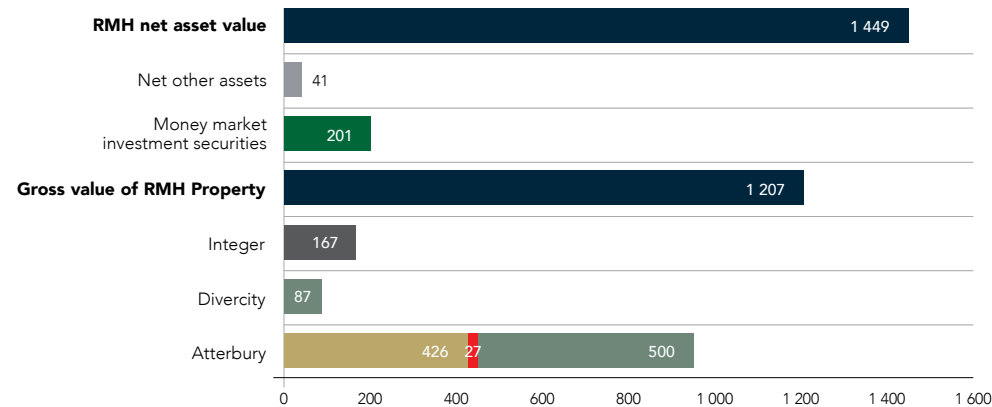


The portfolio mix remains Atterbury-concentrated, with **79%** of the portfolio mix comprising RMH Property's investment in Atterbury.

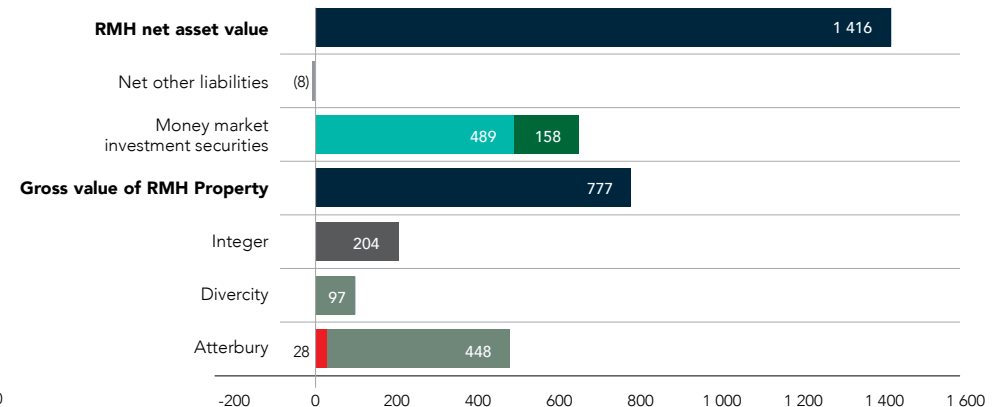


## Net asset value breakdown

**As at 30 September 2023 (R million)**



**As at 31 March 2023 (R million)**



- Total
- Net other assets/liabilities
- Money market investment securities retained for Atterbury guarantee
- Loan to investee
- Total of Atterbury base loan and convertible loan
- Value of equity interest
- Preference shares linked to Ascencia shares received as a result of the Atterbury dividend *in specie*
- Money market investment securities

## Board changes

Herman Bosman assumed the position of acting chairman of the RMH board effective 29 June 2023, replacing Sonja De Bruyn. He was officially confirmed as the chairman of RMH at the annual general meeting on 5 December 2023, following his appointment as non-executive director.

Murphy Morobe retained the position as lead independent non-executive director.

## Dissenting shareholders

As announced on SENS on 11 July 2023 and 3 August 2023, pursuant to section 164 of the Companies Act, RMH has concluded a repurchase agreement with certain shareholders holding an aggregate of 18 770 019 shares to repurchase the shares at a fair value offer price of 197.76 cents per share. The shares were required to be cancelled and delisted in terms of the JSE Listings Requirements, which has been done. The repurchase of the shares concludes the final pending process initiated by all dissenting shareholders in terms of section 164 as a consequence of the disposal of Atterbury Europe.

## Update on Atterbury

As announced on SENS on 21 August 2023, RMH, RMH Asset Holding Company Proprietary Limited (RMHAH) and Atterbury entered into an agreement regarding the repayment terms of the R487 million loan facility between RMHAH as lender and Atterbury as borrower.

In terms of the agreement, the base loan of R162 million was repayable by Atterbury to RMHAH in cash by 31 December 2023, together with interest at JIBAR plus 2.75%. It was further agreed that Atterbury would settle the balance of the loan, being R325 million, through the issuance of shares in Atterbury to RMHAH or its nominee, calculated at the June 2023 IFRS NAV of APH.

On 24 October 2023, RMH announced on SENS that in accordance with the terms of the agreement Atterbury had repaid the base loan of R162 million together with interest to RMHAH. In addition, and in final settlement of the loan facility per the terms of the agreement, on 6 November 2023 Atterbury issued 17 876 140 ordinary shares to RMH, thereby increasing RMH's interest in APH to 38.5%.

## Update on monetisation

On 23 August 2023, RMH announced on SENS that it, through its 100% owned subsidiary RMH Property Holdco 4 (Pty) Ltd, which owns 50% of Integer Properties 3 (Pty) Ltd, has sold its 33.3% shareholding and loan account in Milanick Properties (Pty) Ltd to existing shareholders holding 33.3% for R50 million. The purchase price equals the 31 March 2023 external valuation. The proceeds were used to settle a portion of RMH Property Holdco 4's disproportionate shareholder loan account.

## Change in year-end

We remind shareholders that RMH changed its financial year-end to September in order to use Atterbury's June audited results in compiling its own audited results. RMH will be releasing six-month audited results for 30 September 2023 in January 2024 as opposed to interim results.

## Investor call

An investor call to discuss RMH's reviewed condensed results for the six months ended 30 September 2023 will take place on Thursday, 14 December 2023 at 10.00am (SAT). Please register by following the link below:

## Declaration of special dividend

In keeping with our dividend policy to return cash as assets are monetised and within our set monetisation timeframe, RMH would like to return the settlement of the Atterbury base loan received together with the settlements received from Integer 3, amounting to R254 million. In addition, RMH would like to return R73 million of the cash retained for ongoing operations, resulting in a total dividend of R327 million.

Accordingly, notice is hereby given that a gross special dividend of 23.5 cents per RMH share, payable out of income reserve was declared by the board on 12 December 2023 by passing the necessary resolutions.

The special dividend will be subject to Dividend Withholding Tax at a rate of 20%, which will result in a net dividend of 18.800000 cents per share for those shareholders who are not exempt.

RMH's tax reference number is 9950/098/71/6 and its issued share capital at the declaration date comprises 1 392 933 199 ordinary shares.

The special dividend is subject to Exchange Control approval. A further announcement will be released once Exchange Control approval has been obtained.

Shareholders' attention is drawn to the following important dates:

<b>Finalisation date</b> (announcement to be released on SENS by 11h00)	Tuesday, 16 January 2024
<b>Last day to trade</b> in order to participate in this special dividend	Tuesday, 23 January 2024
<b>Shares commence trading ex-dividend</b> on	Wednesday, 24 January 2024
<b>Record date</b>	Friday, 26 January 2024
<b>Special dividend payment date</b>	Monday, 29 January 2024

No dematerialisation or rematerialisation of share certificates may occur between Wednesday, 24 January 2024 and Friday, 26 January 2024 (both days inclusive).

## Outlook

The period under review has been a challenging one. The South African economy continued to be impacted by load shedding, high unemployment, high interest and inflation rates and continued low growth rates. All these factors will continue to have a negative impact on businesses predominantly operating in South Africa and will not leave the property sector unscathed.

Following the settlement reached with Atterbury and the subsequent conversion of the loan increasing RMH equity interest in Atterbury to 38.5%, 66% of RMH's net asset value at 30 September 2023 is represented by Atterbury.

The board remains committed to the monetisation strategy of RMH Property within the ambit of prevailing market liquidity and trading conditions. The board is comfortable that the RMH has sufficient liquidity to ensure an orderly monetisation and returning maximum value to shareholders.

For and on behalf of the board



**Herman Bosman**  
Chairman



**Brian Roberts**  
CEO

**Johannesburg**  
12 December 2023

# Administration

## RMB Holdings Limited (RMH)

*(Incorporated in the Republic of South Africa)*

**Registration number:** 1987/005115/06  
**JSE ordinary share code:** RMH  
**ISIN code:** ZAE000024501  
**Sector:** Financials  
**ICB sector:** Diversified financial services

## Directors

HL Bosman (Chairman), BM Roberts (CEO), (Ms) SEN De Bruyn, P Lagerström, UH Lucht, (Ms) MM Mahlare, (Ms) EJ Marais (FD), MM Morobe and JA Teeger

## Secretary and registered office

### **IKB Company Secretaries (Proprietary) Limited**

**Physical address:** Zero 01 Solution House, 42 Gazelle Avenue, Corporate Park South, Midrand, 1685  
**Postal address:** Private Bag X1000, Saxonwold, 2132  
**Telephone:** 010 753 2420  
**Website:** [www.rmh.co.za](http://www.rmh.co.za)

## Sponsor

*(in terms of JSE Limited Listings Requirements)*

### **BSM Sponsors Proprietary Limited**

**Physical address:** Jindal Africa Building, 22 Kildoon Road, Bryanston, 2196

## Transfer secretaries

### **Computershare Investor Services Proprietary Limited**

**Physical address:** Rosebank Towers, 15 Biermann Avenue, Rosebank, 2196  
**Postal address:** Private Bag X9000, Saxonwold, 2132  
**Telephone:** +27 11 370 5000  
**Telefax:** +27 11 688 5221



[www.rmh.co.za](http://www.rmh.co.za)