

Remgro *Limited*

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JSE and A2X Share code REM



INTERIM REPORT UNAUDITED RESULTS FOR THE SIX MONTHS ENDED **31 DECEMBER 2022** *AND CASH DIVIDEND DECLARATION*

SALIENT FEATURES

- | | |
|---------------------------------------|--------------------------|
| • Headline earnings per share | 626.2 cents (up by 5.7%) |
| • Interim dividend per share | 80 cents (up by 60.0%) |
| • Intrinsic net asset value per share | R223.86 |

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INTRODUCTION

Introduction

The second half of the 2022 calendar year continued to be marked globally as a period of macroeconomic and geopolitical instability, largely resulting from the Russia-Ukraine war, the ensuing geopolitical tensions, escalating commodity prices coupled with inflationary pressures from supply chain disruptions. In the South African context, the period's global pressures were exacerbated by serious power supply constraints, slow progress on economic and structural reforms, and rising interest rates. Furthermore, the South African GDP declined by 1.3% in the fourth quarter of 2022. Despite these challenges, Remgro is more than encouraged that its prudent management, strong financial position and capital allocation track record (as evidenced by its resilient portfolio) has enabled it to maintain earnings momentum through all the headwinds. We continued to place emphasis on ensuring that our businesses are well capitalised and prepared to deal with the current economic pressures. In this interim period, Remgro continued to focus on the completion of the various corporate actions as part of ongoing portfolio optimisation efforts. Whilst the regulatory red tape has resulted in delays in attaining approvals, Remgro and its respective strategic partners remain committed to the successful implementation of these transactions.

Threats of a global recession remain as central banks seek to balance curbing inflation and protect economic growth. The concurrent rise in inflation and policy rates continue to place pressure on global economies. Back on home turf, the picture continues to look gloomy with several domestic headwinds, most notably, deteriorating power supply capability and concurrent infrastructure failures and more recently South Africa's greylisting, which continue to pose serious constraints to growth.

Despite the evident challenges and negative outlook on a global scale, Remgro believes that its track record stand it in good stead to weather the current storms and deliver on its vision to be the trusted investment holding company of choice that consistently creates sustainable stakeholder value. Taking heart from the lessons of the global pandemic that showed us that good management is foundational to the portfolio's ability to respond to unforeseen conditions, Remgro remains optimistic about its growth prospects and firmly committed to shape the future and partner for South Africa's prosperity.

Results in context

During the current and comparative periods, Remgro implemented and facilitated corporate actions which impacted the comparability of Remgro's headline earnings from period to period. These corporate actions include *inter alia* the disposal of Grindrod Shipping Holdings Limited (Grindrod Shipping) (January 2022), the unbundling of Grindrod Limited (Grindrod) (October 2022) and the restructuring of OUTsurance Group Limited (OUTsurance Group) (previously Rand Merchant Investment Holdings Limited (RMI)) during the 2022 financial year.

Both Grindrod Shipping and Grindrod were equity accounted and R267 million was included in Remgro's headline earnings for Grindrod Shipping, in the comparative period to 31 December 2021, while Grindrod contributed R60 million for the period under review (2021: R158 million).

During the 2022 financial year, OUTsurance Group unbundled its investments in Discovery Limited (Discovery) and Momentum Metropolitan Holdings Limited (Momentum Metropolitan) (the OUTsurance Group Unbundling), as well as disposed of its investment in Hastings Group Holdings plc (Hastings). OUTsurance Group equity accounted these investments (being classified as discontinued operations) and, for the comparative period, Remgro's portion thereof, included in headline earnings, amounted to R351 million. As a consequence of the OUTsurance Group Unbundling, Remgro received Discovery and Momentum Metropolitan shares and classified both investments as

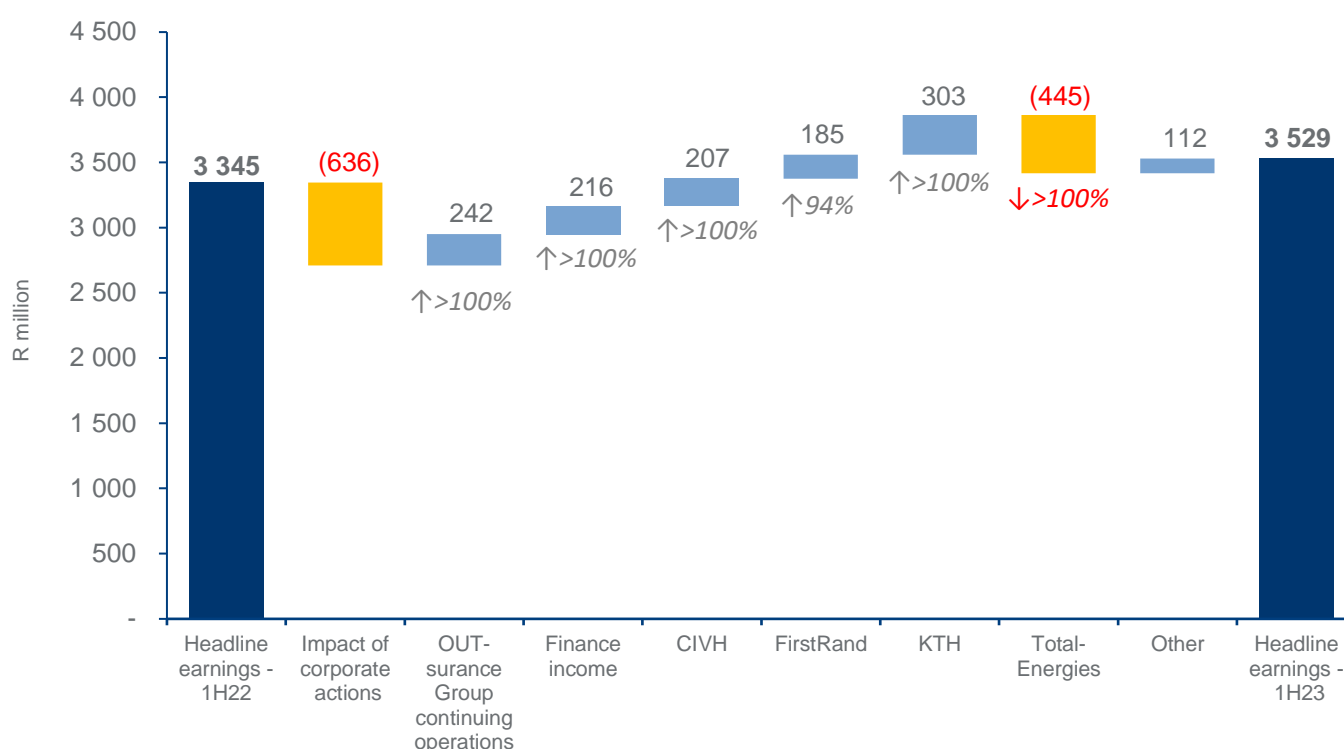
INTRODUCTION (continued)

Results in context (continued)

financial instruments at fair value through other comprehensive income. As Remgro now accounts for dividend income from these investments, only R80 million of dividends were received and included in headline earnings from Momentum Metropolitan during the period under review.

More details on these transactions are provided under “*Commentary on reporting platforms’ performance*”.

Six months ended 31 December 2022: Results in context



Group profile

Originally established in the 1940s by the late Dr Anton Rupert, Remgro’s investment portfolio has evolved substantially since then and currently includes investee companies across nine platforms. The Company is listed on the Johannesburg Stock Exchange (JSE), operated by the JSE Limited in South Africa under the “Financials – Financial Services – Investment Banking and Brokerage Services – Diversified Financial Services” sector, with the share code “REM”. From 3 January 2022, the Company also has a secondary listing on the A2X. Remgro’s interests consist mainly of investments in the healthcare, consumer products, financial services, infrastructure, industrial and media industries. Remgro’s most significant investments are as follows: Mediclinic International plc (Mediclinic) (44.6% interest), OUTsurance Group (30.6% interest), Community Investment Ventures Holdings Proprietary Limited (CIVH) (57.0% interest), Distell Group Holdings Limited (Distell) (31.7% interest), RCL Foods Limited (RCL Foods) (80.2% interest), Siqalo Foods Proprietary Limited (Siqalo Foods) (100.0% interest), FirstRand Limited (FirstRand) (2.2% interest), Discovery (7.8% interest), Air Products South Africa Proprietary Limited (Air Products) (50.0% interest), TotalEnergies Marketing South Africa Proprietary Limited (TotalEnergies) (24.9% interest) and Kagiso Tiso Holdings Proprietary Limited (KTH) (43.5% interest). These investments contribute approximately 85% to Remgro’s intrinsic net asset value (INAV after tax).

GROUP FINANCIAL REVIEW

Salient features

	Unaudited 31 Dec 2022	% Change	Unaudited 31 Dec 2021
Headline earnings (R million)	3 529	5.5	3 345
- per share (cents)	626.2	5.7	592.3
Ordinary interim dividends per share (cents)	80	60.0	50
	Unaudited 31 Dec 2022	% Change	Audited 30 June 2022
Intrinsic net asset value per share (R)	223.86	5.0	213.10
Remgro share price (R)	133.03	2.4	129.91
Percentage discount to intrinsic net asset value (%)	40.6	(160bps)	39.0

Group reporting

Due to Remgro being an investment holding company, traditional measurements of performance, such as sales or gross profit, are not meaningful criteria for evaluating the Group's performance. However, management uses "headline earnings", "intrinsic net asset value" and "cash at the centre" to evaluate the performance of the Group on a continuous basis. Hence these concepts are used throughout this report to provide shareholders with a better understanding of Remgro's results.

From time to time, corporate actions may lead to significant items being recognised in the income statement that may not be excluded from the calculation of headline earnings. In these instances, the Group may elect to disclose alternative earnings measures, excluding these items, in order to promote comparability between reporting periods.

In accordance with paragraph 3.4(b)(v) of the JSE Listings Requirements, the Company again confirms the use of headline earnings per share for trading statement purposes. This is still considered to be an appropriate measure given that, as an investment holding company, the assessment of headline earnings is a key performance measure.

Headline earnings

Overview

For the period under review, headline earnings increased by 5.5% from R3 345 million to R3 529 million, while headline earnings per share (HEPS) increased by 5.7% from 592.3 cents to 626.2 cents. The results are not directly comparable to the prior period due to the impact of various corporate actions. Therefore, this muted increase does not reflect the underlying performance of Remgro's resilient portfolio.

GROUP FINANCIAL REVIEW (continued)

Headline earnings (continued)

Overview (continued)

The increase in headline earnings is mainly due to higher contributions from OUTsurance Group's continuing operations, KTH, CIVH (turning profitable) and FirstRand, as well as higher interest income. The increase is partly offset by lower contributions from TotalEnergies, RCL Foods and Grindrod (due to its unbundling). In addition, the comparative period also included the contributions of Grindrod Shipping (which was disposed of) and the discontinued operations of OUTsurance Group (OUTsurance Group unbundled its investments in Discovery and Momentum Metropolitan, as well as disposed of its investment in Hastings).

Contribution to headline earnings by reporting platform

	Unaudited Six months ended		Audited Year ended	
	31 Dec 2022	% Change	31 Dec 2021	30 June 2022
Healthcare	732	26.9	577	1 267
Consumer products	1 022	(12.3)	1 166	1 906
Financial services	447	(17.7)	543	866
Infrastructure	275	(32.8)	409	613
Industrial	259	(59.1)	634	1 800
Diversified investment vehicles	380	450.7	69	95
Media	64	(9.9)	71	178
Portfolio investments	503	111.3	238	444
Social impact investments	(7)	12.5	(8)	(20)
Central treasury				
- finance income	308	234.8	92	224
- finance costs	(317)	0.3	(318)	(627)
Other net corporate costs	(137)	(7.0)	(128)	(252)
Headline earnings	3 529	5.5	3 345	6 494

Refer to pages 15 and 16 for the segmental information.

GROUP FINANCIAL REVIEW (continued)

Commentary on reporting platforms' performance

Healthcare

Mediclinic's contribution to Remgro's headline earnings amounted to R732 million (2021: R577 million), representing an increase of 26.9%. Mediclinic uses adjusted earnings, which removes volatility associated with certain types of significant income and charges, to assess financial and operational performance and as a method to provide investors and analysts with complementary information to better understand its financial performance. The adjustments for the period under review included a positive Swiss cantonal tax rate change, a decrease of a redemption liability and an accelerated depreciation charge. The comparative period also included an accelerated depreciation charge and past service costs, relating to Swiss retirement plan changes. Remgro's portion of Mediclinic's adjusted earnings amounted to R591 million (2021: R711 million), representing a decrease of 16.9%. In British pound terms, Mediclinic reported a decrease in adjusted earnings of 15%.

Mediclinic experienced a testing first half performance on the back of macro-economic pressures and the effect of pronounced seasonality (post lifting of Covid-19 travel restrictions) on volumes. Revenue increased by 10% to £1 731 million (up 2% in constant currency terms), driven by a 13.7% growth in inpatient admissions and a 21.9% growth in day case submissions, partly offset by reduced average revenue per case due to mix changes. The adjusted EBITDA decreased by 1% (down 8% in constant currency terms) and the adjusted EBITDA margin was 14.2% (2021: 15.8%), reflecting the impact on revenue and increased employee costs incurred due to Covid-19-related staff absenteeism and general nurse shortages in Switzerland and the additional headcount related to capacity expansion in the Middle East. Compared to the prior period, both adjusted depreciation and amortisation (up by 13%) and finance costs (up by 4%) increased, which further explains the decrease in adjusted earnings. Adjusted depreciation and amortisation increased due to investment in infrastructure and medical equipment post-Covid-19.

Consumer products

Distell's contribution to headline earnings amounted to R517 million (2021: R502 million), representing an increase of 3.0%. Distell discloses normalised earnings, adjusted for abnormal transactions and currency movements, to indicate its businesses' performance. The abnormal transactions for the period under review mainly included regulatory and acquisition costs relating to the Heineken transaction, whereas the comparative period included net losses due to the civil unrest in South Africa. Distell reported an increase in normalised headline earnings of 8.3%, mainly due to an increase of 15.9% in revenue on 10.3% higher volumes. The explosive growth of the premium cider and ready-to-drink (RTDs) portfolio, led by Savanna, was the main contributing factor to overall revenue growth off the back of continued investment in the brands and in manufacturing capacity across key markets.

Domestic revenue and volumes increased by 13.6% and 9.7%, respectively, with ciders and RTDs and wine growing revenues by double digits. Revenue and volumes in the African markets, outside South Africa, increased by 21.5% and 6.8%, respectively, also driven by phenomenal growth by key cider and RTD brands (Hunter's and Savanna being the standout performers). In the international markets, outside Africa, revenue and volumes increased by 25.6% and 39.2%, respectively, driven by the branded Scotch whisky portfolio and sales of bulk spirits. The period under review was still impacted by global supply chain disruptions, exacerbated by high input cost increases, driven by unprecedented global inflationary pressures and elevated commodity prices. Operating costs rose by 17.6%, exacerbated by the need to import glass due to local shortages given the dependency on a non-returnable bottle operating model, alongside significant cost increases in apple juice concentrate for ciders. In addition to Distell's contribution, Remgro also accounted for amortisation and depreciation charges of R20 million (2021: R20 million) relating to the additional assets identified when Remgro obtained control over Distell on 11 May 2018.

GROUP FINANCIAL REVIEW (continued)

Consumer products (continued)

RCL Foods' contribution to Remgro's headline earnings amounted to R403 million (2021: R519 million), representing a decrease of 22.4%. RCL Foods discloses underlying headline earnings, adjusted for *IFRS 9* fair value adjustment on commodity contracts entered into as part of the raw material procurement strategy, as well as the direct cost impact of the civil unrest in July 2021 and the fire at their Sugar warehouse in Komatipoort in the comparative period. Underlying headline earnings provides users of RCL Foods' results with relevant information and measures used by itself to assess performance. RCL Foods reported a decrease in underlying headline earnings of 21.4%, mainly due to lower contributions by Rainbow and the Baking business unit. Rainbow's turnaround was hampered by high commodity input costs, poor agricultural performance and the impact of load shedding. Higher volumes and pricing across all channels, as well as an improved mix, were insufficient to offset the high commodity input costs. Load shedding impacted the feed conversion rate, diesel cost and overtime, with additional shifts having to be worked to process the chicken. The Baking business unit experienced a slowdown in demand post the implementation of price increases to counter high wheat and maize prices. The Groceries business unit delivered a resilient performance despite the challenges of load shedding and industrial actions at both the Grocery and Pies facilities. The Sugar business unit produced good results, driven by an increase in local market sales volumes aided by strong growth in the industrial channel, as well as more favourable local and export pricing. These gains were partially offset by soaring fertiliser and energy costs, resulting from load shedding in the agricultural operations.

The headline earnings contribution from **Siqalo Foods** amounted to R162 million (2021: R205 million), representing a decrease of 21.0%. The trading environment remained challenging due to volatile commodity prices and exchange rates, increased load shedding and rising inflation and interest rates. Due to continued cost pressure Siqalo Foods was required to take another price increase in October 2022, the full impact of which the business was unable to pass to the already cash strapped consumer. Siqalo Foods has experienced a decrease of 2.1% in volumes, as consumer spend was negatively impacted by the elevated inflationary environment. The decrease in volumes coupled with a 20.6% increase in material cost, driven by volatile commodity prices and exchange rates, resulted in a 2.0% overall decrease in operational EBITDA, which excludes the negative *IFRS 9* fair value adjustment of R29 million (2021: positive adjustment of R31 million) on commodity and foreign exchange contracts entered into as part of the raw material procurement strategy. In addition to Siqalo Foods' contribution, Remgro also accounted for amortisation and depreciation charges of R40 million (2021: R40 million) relating to the additional assets identified when Remgro obtained control over Siqalo Foods on 2 July 2018.

Financial services

OUTsurance Group's contribution to Remgro's headline earnings decreased by 21.2% to R406 million (2021: R515 million). During the 2022 financial year OUTsurance Group unbundled its investments in Discovery and Momentum Metropolitan (the OUTsurance Group Unbundling), as well as disposed of its investment in Hastings. As a result, these investments were only equity accounted until 8 December 2021, the date on which the investment in Hastings was disposed of and the OUTsurance Group Unbundling became highly probable. The results for the period under review are therefore not comparable with the prior period.

Remgro's portion of OUTsurance Group's headline earnings from continuing operations increased by 147.6% to R406 million (2021: R164 million), which excludes the contributions of Discovery, Momentum Metropolitan and Hastings. On a normalised basis, which excludes certain anomalies, OUTsurance Group reported an increase of 77.7% in earnings from continuing operations. This increase is mainly due to higher earnings from OUTsurance Holdings Limited (OUTsurance), the most significant remaining asset in OUTsurance Group, and lower funding costs as the Hastings proceeds were utilised to settle OUTsurance Group's debt in the comparative period.

OUTsurance's earnings (excluding its share in Hastings in the comparative period) increased by 45.3% mainly due to a significant improvement in the earnings result of Youi. Youi's earnings benefitted from relatively benign weather-related claims and a rapidly rising interest rate environment which bolstered investment income.

GROUP FINANCIAL REVIEW (continued)

Financial services (continued)

By contrast, the first half of the previous financial year was characterised by significant weather events and the low-point of the interest rate cycle. Gross written premium accelerated by 17.4% (aided by a weaker Rand against the Australian Dollar) and annualised new business premium growth expanded by 8.6%. OUTsurance's claims ratio reduced from 58.1% to 55.3% on account of the more favourable weather events experienced in Australia coupled with an improvement in the attritional claims ratios of OUTsurance Business and Youi Blue Zebra Insurance (BZI). Motor claims frequencies have returned to pre-pandemic levels, whereas the comparative period's motor claims, particularly in South Africa, benefitted from the reduced driving patterns associated with the pandemic lockdowns at the time. Load shedding continues to negatively impact property related claims, particularly considering the more extensive load shedding experienced in the reporting period. The implementation of a larger excess for power surge and dip claims have somewhat mitigated this rising claims cost.

Business Partners Limited's (Business Partners) contribution to Remgro's headline earnings increased to R41 million (2021: R28 million). This increase is mainly due to a significant increase in net interest income, primarily due to an increase in the average prime interest rate, the release of credit impairments and the containment of staff and other costs.

Infrastructure

CIVH's contribution to Remgro's headline earnings amounted to R184 million (2021: a loss of R23 million). The increase in earnings is mainly due to improved performances by CIVH's underlying businesses. The performance of the underlying businesses, being mainly Dark Fibre Africa Proprietary Limited (DFA) and Vumatel Proprietary Limited (Vumatel), improved due to the network expansion over the last two years, resulting in improved operating earnings of R1 176 million (2021: R696 million). DFA's revenue from continuing operations increased by 10.5% to R1 297 million, mainly due to annuity income increasing to R210 million per month at 30 September 2022 (30 September 2021: R192 million per month), and underlying operating earnings from continuing operations increased by 112.8% to R647 million. Vumatel's revenue increased by 14.2% to R1 642 million, driven by its fibre infrastructure expansion program and subscriber uptake growth, and underlying operating earnings increased by 16.7% to R565 million.

Grindrod and **SEACOM** Capital Limited's (SEACOM) contributions to Remgro's headline earnings amounted to R60 million and R29 million (2021: R158 million and R8 million), respectively. Grindrod was equity accounted until 26 September 2022, the date on which Remgro agreed to unbundle the investment.

Other infrastructure investments include the contribution of **Grindrod Shipping** in the comparative period amounting to R267 million. Grindrod Shipping was equity accounted until 25 November 2021, the date on which Remgro agreed to dispose of its investment.

Industrial

Air Products' contribution to Remgro's headline earnings increased by 18.7% to R254 million (2021: R214 million). The period under review saw continuing marginal improvement in overall industrial gas volumes. Demand for large tonnage gases was at similar levels to the prior period, while bulk liquid volumes showed some improvement, particularly to the mining and food and hospitality sectors. Demand for cylinder and other packaged gases was relatively strong, but considerable cost pressures were felt as a result of large fuel and electricity price increases.

TotalEnergies' contribution to Remgro's headline earnings amounted to a loss of R144 million (2021: a profit of R301 million). Included in the contribution to headline earnings for the period under review are negative stock revaluations amounting to R273 million (2021: positive stock revaluations of R131 million). The revaluations for the period under review are the result of the drop in the Brent Crude price and the weakening of the rand exchange rate. Excluding these revaluations, the contribution decreased by 24.1% from R170 million to R129 million. This decrease is mainly due to higher input costs, heavily impacted by supply challenges experienced on the importation of fuel products, partly offset by Natref's higher refining margins.

GROUP FINANCIAL REVIEW (continued)

Industrial (continued)

Wispeco Holdings Proprietary Limited's (Wispeco) contribution to Remgro's headline earnings increased by 15.9% to R146 million (2021: R126 million). Turnover increased by 17.7% mainly due to higher selling prices and volume growth of brass sprinkler frame exports. Sales volumes of aluminium extrusions were lower than the comparative period, due to a subdued market demand as competitive pressures increased with short-term prospects remaining uncertain. Contributing factors include disruptive load shedding, high fuel prices and rising interest rates which negatively impact consumer confidence and discretionary spending. The comparative period's earnings included the effect of a three-week wage strike in the Metals and Engineering sector.

Other industrial investments consist of PGSI Limited's (PGSI) contribution to Remgro's headline earnings, which amounted to a profit of R3 million (2021: a loss of R7 million).

Diversified investment vehicles

KTH's contribution to headline earnings amounted to R348 million (2021: R45 million). The increase in KTH's earnings is mainly due to a debt forgiveness gain (the lender waived its right to receive the outstanding amount of a loan to KTH) of R521 million as part of the disposal of KTH's investment in Actom Investment Holdings Proprietary Limited. The period under review also includes a positive fair value adjustment on KTH's investment in Momentum Metropolitan preference shares of R88 million (2021: negative adjustment of R28 million) and higher equity accounted earnings, largely driven by the contribution of Momentum Metropolitan of R107 million (2021: R40 million).

The contribution from **other diversified investment vehicles** to headline earnings amounted to R32 million (2021: R24 million), which includes the contribution from **Invenfin** Proprietary Limited (Invenfin), amounting to R26 million (2021: R32 million).

Media

eMedia Investments Proprietary Limited's (eMedia Investments) contribution to Remgro's headline earnings decreased by 23.4% to R49 million (2021: R64 million). This decrease is mainly due to the contraction of the television advertising market, as well as the negative impact of the rand/dollar exchange rate. eMedia Investments managed to increase its advertising revenue (being the company's major source of revenue) by 2%, despite a 5% decrease in the average minute rating (AMR) for e.tv. This compares favourably to the industry's 16.5% AMR reduction, which continues to be impacted by load shedding, and a decrease in total television advertising spend of 8%. e.tv, being the main generator of revenue, improved its market share from 21.8% to 23.7%, while the multi-channel business (channels other than e.tv that appear on Openview and other platforms) increased its market share from 10% to 12.5%, mainly due to eExtra, the two movie channels (eMovies and eMovies Extra), as well as eReality. Openview reached the 3 million activation mark on 13 September 2022 and is steadily growing at around 500 000 boxes per year. At 30 September 2022, eMedia Investments had a combined market share of 36.2% in prime time (30 September 2021: 31.8%).

Portfolio investments

The contribution from portfolio investments to headline earnings amounted to R503 million (2021: R238 million). Dividends from **FirstRand**, which include a special dividend received during October 2022 (R154 million), amounted to R381 million (2021: R196 million). As a result of the OUTsurance Group Unbundling, Remgro received 51 254 365 Discovery shares and 122 908 061 Momentum Metropolitan shares. Both investments were classified as financial instruments at fair value through other comprehensive income. During the period under review, dividends of R80 million were received from **Momentum Metropolitan**. No dividends were declared and paid by **Discovery** in light of the uncertain future impact of Covid-19 and the volatile global macroeconomic environment.

Other portfolio investments include the dividends received from British American Tobacco plc (**BAT**) and Reinet Investments SCA (**Reinet**) amounting to R42 million (2021: R42 million).

GROUP FINANCIAL REVIEW (continued)

Social impact investments

Social impact investments primarily consist of interests in the **Blue Bulls** rugby franchise and Stellenbosch Academy of Sport Proprietary Limited (**SAS**).

Central treasury and other net corporate costs

Finance income amounted to R308 million (2021: R92 million). This increase is mainly due to the increase in the South African repo rate and a higher average cash balance, due to the disposal of 60 million FirstRand shares and Remgro's investment in Grindrod Shipping. Finance costs amounted R317 million (2021: R318 million) and other net corporate costs amounted to R137 million (2021: R128 million).

Earnings

Total earnings decreased by 19.9% to R3 951 million (2021: R4 932 million) mainly due to Remgro's portion of the profit realised by OUTsurance Group, on the disposal of its investment in Hastings (R1 478 million), during the comparative period, partly offset by the profit realised on the unbundling of Remgro's investment in Grindrod (R340 million) and the increase in headline earnings discussed above (R184 million).

Intrinsic net asset value

Remgro's intrinsic net asset value per share increased by 5.0% from R213.10 at 30 June 2022 to R223.86 at 31 December 2022. The closing share price at 31 December 2022 was R133.03 (30 June 2022: R129.91), representing a discount of 40.6% (30 June 2022: 39.0%) to the intrinsic net asset value. Refer to page 16 for full details.

Investment activities

The material investment activities during the period under review were as follows:

Mediclinic



On 26 September 2022, the Mediclinic shareholders voted in favour of the cash offer by Bidco Limited (Bidco), a newly formed company, which will be jointly owned by Remgro and MSC Mediterranean Shipping Company SA (MSC) to acquire the entire issued and to be issued ordinary share capital of Mediclinic, other than the Mediclinic shares Remgro already owns (the Acquisition). Remgro currently holds 328 497 888 Mediclinic ordinary shares (representing an interest of approximately 44.6%). In terms of the Acquisition, Mediclinic shareholders will receive 501 pence per Mediclinic share, being the offer price of 504 pence per Mediclinic share less the dividend of 3 pence per Mediclinic share that was paid on 26 August 2022.

Remgro, MSC and Bidco have also entered into a subscription and rollover agreement, in terms of which Remgro will sell its existing Mediclinic shares to Bidco in exchange for shares in Bidco and subscribe for further shares in Bidco for approximately £201 million (representing an additional indirect interest in Mediclinic of approximately 5.4%). MSC will also subscribe for shares in Bidco (representing an indirect interest in Mediclinic of 50.0%). The share subscription in Bidco will enable the Acquisition. The hearing of the Competition Tribunal in respect of the Acquisition was held on 15 March 2023 and the transaction is expected to close during April 2023.

GROUP FINANCIAL REVIEW (continued)

Investment activities (continued)

Distell



On 15 February 2022, the Distell shareholders approved the combination of the Heineken International B.V. (Heineken) Southern African business, including an interest in Namibia Breweries Limited, with the bulk of the Distell business (consisting of its cider, other RTDs and spirits and wine business) in a new unlisted entity controlled by Heineken and referred to as Newco. The proposed transaction will include the unbundling by Distell of the unlisted shares in Distell's subsidiary, Capevin Holdings Proprietary Limited (Capevin), which holds Distell's remaining assets including its Scotch whisky business. The proposed transaction will also include an offer by Newco to Distell shareholders to acquire their Distell shares for R165 per share and/or unlisted shares in Newco, or a combination thereof, and an offer by Heineken to Distell shareholders to acquire their Capevin shares for R15 per share. On 9 March 2023, Distell announced that the Competition Tribunal approved the proposed transaction, with conditions, and the Distell shareholders are now required to make an election to accept either cash, reinvestment in Newco shares or a combination of cash and shares in a fixed ratio.

Remgro elected to receive Newco shares for its Distell shares and is accordingly expected to be a significant shareholder in Newco. Furthermore, Remgro did not accept the cash offer to be made by Heineken for the Capevin shares that it will receive and is therefore expected to retain a controlling shareholding in Capevin.

CIVH



As previously reported, Vodacom Proprietary Limited (Vodacom) will, through a combination of assets of approximately R4.2 billion and cash of at least R6.0 billion, acquire up to 40% of the ordinary shares of a newly created wholly owned subsidiary of CIVH (namely Maziv Proprietary Limited (Maziv)). Maziv will hold *inter alia* CIVH's current interests in Vumatel and DFA. As a result of the proposed transaction, Remgro's indirect interest in DFA and Vumatel will dilute with the entrance of Vodacom as a shareholder, but Remgro will also obtain an indirect interest in the assets contributed by Vodacom. The proposed transaction is still subject to various conditions precedent, *inter alia* regulatory approvals.

Grindrod



On 17 October 2022 Remgro unbundled its investment in Grindrod to its shareholders as a dividend *in specie* amounting to R1 640 million, in the ratio of 30.70841 Grindrod shares for every 100 Remgro shares held.

FirstRand



FirstRand

During July 2022 Remgro sold 19.2 million FirstRand shares for R959 million (being R49.945 per FirstRand share). These FirstRand shares were part of 60 million FirstRand shares that were hedged through a series of options, which became exercisable during June and July 2022. Remgro sold the 60 million FirstRand hedged shares to net settle the option liabilities. The other 40.8 million FirstRand shares were sold during June 2022.

GROUP FINANCIAL REVIEW (continued)

Investment activities (continued)

FirstRand (continued)

During November 2022, Remgro entered into another hedging transaction on 30 million FirstRand shares. This narrow zero cost collar has a two-year term, with a reference price set at R67.37 per FirstRand share, providing protection at 95% of this reference price (or R64.00), with a call strike at 115.72% (or R77.96). At the same time, Remgro entered into a script lending transaction to optimise the pricing of the narrow zero cost collar. Remgro will be allowed to vote with these shares at the FirstRand Annual General Meeting(s) and is entitled to dividends declared at pre-contracted levels. The FirstRand shares are hedged on a 1:1 basis and the narrow zero cost collar is recognised at fair value with changes in the fair value accounted for in other comprehensive income. The narrow zero cost collar was valued as an asset of R118 million on 31 December 2022.

During March 2023, Remgro entered into a further hedging transaction on another 30 million FirstRand shares on similar terms as the narrow zero cost collar mentioned above, but with a reference price set at R67.02 per FirstRand share, providing protection at 95% of this reference price (or R63.67), with a call strike at 114.00% (or R76.40). The levels for the pre-contracted dividends were increased from those set during November 2022.

Asia Partners Funds



During the period under review Remgro invested a further \$1 million in Asia Partners I LP (Asia Partners I), thereby increasing its cumulative investment to \$20 million. Remgro also made an initial investment of \$8 million in Asia Partners II LP (Asia Partners II) to which Remgro committed to invest up to a maximum of \$50 million (limited to 10% of the total fund size, which 10% stood at \$37 million as of 31 December). As at 31 December 2022 the fair values of Remgro's investments in Asia Partners I and Asia Partners II amounted to \$28 million and \$8 million, respectively, and the remaining commitments to funds amounted to \$5 million and \$29 million, respectively.

Milestone China Funds



As at 31 December 2022, Remgro's total investment in Milestone China Opportunities Fund III (Milestone III) amounted to \$101 million. During the year under review Remgro received distributions of \$4 million from Milestone III, thereby increasing its cumulative distributions received to \$93 million. As at 31 December 2022 the fair value of Remgro's investment in Milestone III amounted to \$44 million.

Milestone Capital Investments Holding Limited (MCIH) is the fund management company of the Milestone China Funds. During December 2022, Remgro entered into an agreement to dispose of its investment in MCIH for \$7.3 million. The proceeds and past distributions received from MCIH equal Remgro's initial investment in the company.

PRIF



During the period under review Remgro invested a further R38 million in PRIF and received distributions of R6 million, thereby increasing its cumulative investment to R615 million and cumulative distributions received to R353 million. As at 31 December 2022, the fair value of Remgro's investment in PRIF amounted to R716 million and remaining commitment to PRIF amounted to R41 million.

GROUP FINANCIAL REVIEW (continued)

Investment activities (continued)

Other

Other smaller investments amounted to R86 million.

Events after 31 December 2022

Other than the above-mentioned events, there were no other significant events subsequent to 31 December 2022.

Treasury shares

At 30 June 2022, 4 205 497 Remgro ordinary shares (0.8%) were held as treasury shares by a wholly owned subsidiary of Remgro. As previously reported, these shares were acquired for the purpose of hedging Remgro's share schemes.

During the period under review Remgro repurchased a further 2 000 000 Remgro ordinary shares at an average price of R136.82 per share for a total amount of R274 million, while 338 428 Remgro ordinary shares were utilised to settle Remgro's obligation towards scheme participants.

At 31 December 2022, 5 867 069 Remgro ordinary shares (1.1%) were held as treasury shares.

Cash resources at the centre

The Company's cash resources at 31 December 2022 were as follows:

R million	Unaudited 31 December 2022			Audited 30 June 2022
	Local	Offshore	Total	
Per consolidated statement of financial position	6 779	4 204	10 983	11 884
Investment in money market funds	7 310	-	7 310	5 700
Less: Cash of operating subsidiaries	(2 713)	(1 592)	(4 305)	(5 304)
Cash at the centre	11 376	2 612	13 988	12 280

At 31 December 2022, approximately 51.9% (R7 260 million) of the available cash at the centre was invested in money market funds which are not classified as cash and cash equivalents on the statement of financial position.

DECLARATION OF CASH DIVIDEND

Declaration of Dividend No. 45

Notice is hereby given that an interim gross dividend of 80 cents (2021: 50 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 2022.

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, 18 April 2023
Shares trade ex dividend	Wednesday, 19 April 2023
Record date	Friday, 21 April 2023
Payment date	Monday, 24 April 2023

Share certificates may not be dematerialised or rematerialised between Wednesday, 19 April 2023, and Friday, 21 April 2023, 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.

Signed on behalf of the Board of Directors.

Johann Rupert

Chairman

Jannie Durand

Chief Executive Officer

Stellenbosch

Approved by the Board: 22 March 2023

SENS release date: 23 March 2023

COMPOSITION OF HEADLINE EARNINGS

R million	Six months ended 31 Dec 2022	Unaudited		Six months ended 31 Dec 2021
			% Change	
Healthcare				
Mediclinic	732		26.9	577
Consumer products				
Distell	517		3.0	502
- entity contribution				
- IFRS 3 charge ¹	(20)		-	(20)
RCL Foods	403		(22.4)	519
Siqalo Foods	162		(21.0)	205
- entity contribution				
- IFRS 3 charge ¹	(40)		-	(40)
Financial services				
OUTsurance Group	406		(21.2)	515
Business Partners	41		46.4	28
Infrastructure				
CIVH	184		900.0	(23)
Grindrod	60		(62.0)	158
SEACOM	29		262.5	8
Other infrastructure investments	2		(99.2)	266
Industrial				
Air Products	254		18.7	214
TotalEnergies	(144)		(147.8)	301
Wispeco	146		15.9	126
Other industrial investments	3		142.9	(7)
Diversified investment vehicles				
KTH	348		673.3	45
Other diversified investment vehicles	32		33.3	24
Media				
eMedia Investments	49		(23.4)	64
Other media investments	15		114.3	7
Portfolio investments				
FirstRand	381		94.4	196
Momentum Metropolitan	80		-	-
Other portfolio investments	42		-	42
Social impact investments	(7)		12.5	(8)
Central treasury				
Finance income	308		234.8	92
Finance costs	(317)		0.3	(318)
Other net corporate costs	(137)		(7.0)	(128)
Headline earnings	3 529		5.5	3 345
Weighted number of shares (million)	563.6		(0.2)	564.8
Headline earnings per share (cents)	626.2		5.7	592.3

1. IFRS 3 charge represents the amortisation and depreciation expenses, net of tax, relating to the additional assets identified when Remgro obtained control over these entities.

COMPOSITION OF INTRINSIC NET ASSET VALUE

R million	Unaudited 31 December 2022		Audited 30 June 2022	
	Book value	Intrinsic value ¹	Book value	Intrinsic value ¹
Healthcare				
Mediclinic	31 790	33 357	26 681	29 568
Consumer products				
Distell	8 845	12 325	8 386	11 969
RCL Foods ²	9 048	7 141	8 816	7 355
Siqalo Foods	6 145	6 645	6 261	6 345
Financial services				
OUTsurance Group	5 526	14 806	5 307	13 069
Business Partners ²	1 226	1 216	1 193	1 193
Infrastructure				
CIVH	7 028	13 539	6 905	13 756
Grindrod	-	-	1 559	1 559
SEACOM	68	759	40	776
Other infrastructure investments	74	74	67	67
Industrial				
Air Products	1 170	4 794	1 162	4 690
TotalEnergies	2 951	3 353	3 158	3 274
Wispeco ²	1 594	1 398	1 448	1 402
Other industrial investments	178	404	189	379
Diversified investment vehicles				
KTH	1 840	2 267	1 497	2 145
Prescient China Equity Fund	1 085	1 085	1 189	1 189
Invenfin	852	1 104	804	1 050
Other diversified investment vehicles	2 055	2 055	1 864	1 864
Media				
eMedia Investments ²	862	701	856	738
Other media investments	130	168	111	150
Portfolio investments				
FirstRand ³	6 404	6 404	7 141	7 141
Discovery	5 245	5 245	5 410	5 410
Momentum Metropolitan	1 729	1 729	1 439	1 439
Other portfolio investments	802	802	809	809
Social impact investments	123	123	132	132
Central treasury				
Cash at the centre ⁴	13 988	13 988	12 280	12 280
Debt at the centre	(7 849)	(7 849)	(7 838)	(7 838)
Other net corporate assets	1 664	2 312	1 577	2 221
Intrinsic net asset value (INAV)	104 573	129 945	98 443	124 132
Potential CGT liability⁵		(4 047)		(3 930)
INAV after tax	104 573	125 898	98 443	120 202
Issued shares after deduction of shares repurchased (million)	562.4	562.4	564.1	564.1
INAV after tax per share (Rand)	185.94	223.86	174.52	213.10
Remgro share price (Rand)		133.03		129.91
Percentage discount to INAV		40.6		39.0

- For purposes of determining the intrinsic net asset value, the unlisted investments are shown at IFRS 13: Fair value measurement valuations and the listed investments are shown at closing stock exchange prices.
- Remgro determined the recoverable amounts for RCL Foods, Business Partners, Wispeco and eMedia Investments which are in excess of the investments' carrying values.
- The intrinsic value for FirstRand includes the investment at market value less deferred capital gains tax (CGT) on the investment, as well as the after tax zero cost collar hedge on 30 000 000 (30 June 2022: 19 200 000) FirstRand shares amounting to an asset of R91 million (30 June 2022: a liability of R187 million).
- Cash at the centre excludes cash held by subsidiaries that are separately valued above (mainly Distell, RCL Foods, Siqalo Foods and Wispeco).
- The potential CGT liability is calculated on the specific identification method using the most favourable calculation for investments acquired before 1 October 2001 and also taking into account the corporate relief provisions. However, provision for CGT has been made for the proposed Distell/Heineken transaction. In addition to FirstRand, the deferred CGT on other investments at fair value through other comprehensive income is included in the investee line item above.

GROUP FINANCIAL STATEMENTS

Summary consolidated statement of financial position

R million	Unaudited		Audited
	31 December 2022	31 December 2021	30 June 2022
Assets			
Non-current assets			
Property, plant and equipment	18 500	17 000	17 831
Investment properties	135	128	137
Intangible assets	20 069	20 595	20 275
Investments - Equity accounted	55 060	58 930	50 771
- Financial assets at fair value through other comprehensive income (FVOCI)	20 853	15 910	20 650
Financial assets at fair value through profit and loss (FVPL)	242	235	242
Hedge derivatives	116	-	-
Retirement benefits	696	723	709
Long-term loans and debtors	171	166	155
Deferred taxation	227	256	219
	116 069	113 943	110 989
Current assets	50 164	43 175	45 709
Inventories	15 036	12 724	13 568
Biological agricultural assets	1 137	935	1 232
Debtors and short-term loans	15 501	12 806	11 903
Loans to equity accounted investments	26	39	15
Financial assets at FVPL	66	39	78
Taxation	85	152	98
Investment in money market funds	7 310	6 190	5 700
Cash and cash equivalents	10 983	9 219	11 884
	50 144	42 104	44 478
Assets held for sale	20	1 071	1 231
Total assets	166 233	157 118	156 698
Equity and liabilities			
Stated capital	13 416	13 416	13 416
Reserves	92 056	85 597	85 712
Treasury shares	(899)	(687)	(685)
Shareholders' equity	104 573	98 326	98 443
Non-controlling interest	18 394	16 903	17 437
Total equity	122 967	115 229	115 880
Non-current liabilities	19 545	19 724	21 128
Retirement benefits	157	144	149
Long-term loans	10 247	11 726	11 693
Lease liabilities	878	1 116	959
Deferred taxation	8 263	6 738	8 276
Hedge derivatives	-	-	51
Current liabilities	23 721	22 165	19 690
Trade and other payables	17 875	16 150	16 025
Short-term loans	4 891	4 646	2 681
Lease liabilities	293	289	231
Financial liabilities at FVPL	22	830	33
Taxation	639	250	325
	23 720	22 165	19 295
Liabilities held for sale	1	-	395
Total equity and liabilities	166 233	157 118	156 698
Net asset value per share (Rand)			
- At book value	R185.94	R174.32	R174.52
- At intrinsic value	R223.86	R202.47	R213.10

GROUP FINANCIAL STATEMENTS (continued)

Summary consolidated income statement

R million	Unaudited Six months ended		Audited Year ended
	31 December 2022	31 December 2021	30 June 2022
Revenue	44 727	38 339	76 096
Inventory expenses	(27 712)	(22 915)	(46 073)
Staff costs	(5 109)	(4 885)	(10 056)
Depreciation	(1 004)	(928)	(1 892)
Other net operating expenses	(7 876)	(6 471)	(13 015)
Trading profit	3 026	3 140	5 060
Dividend income	507	332	641
Interest received	510	223	537
Finance costs	(631)	(632)	(1 229)
Impairment of investments, assets and goodwill	(1)	-	(461)
Reversal of impairment of investments and assets	5	30	614
Loss allowances on loans	14	(7)	45
Profit on sale and dilution of investments	365	92	394
Consolidated profit before tax	3 795	3 178	5 601
Taxation	(1 059)	(950)	(1 602)
Consolidated profit after tax	2 736	2 228	3 999
Share of after-tax profit of equity accounted investments	2 283	3 879	10 980
Net profit for the period	5 019	6 107	14 979
Attributable to:			
Equity holders	3 951	4 932	13 139
Non-controlling interest	1 068	1 175	1 840
	5 019	6 107	14 979
Equity accounted investments			
Share of after-tax profit of equity accounted investments			
Profit before taking into account impairments and non-recurring items	2 911	3 340	6 826
Net impairment of investments, assets and goodwill	(1)	(32)	(190)
Profit on the sale of investments	44	1 491	6 297
Other headline earnings adjustable items	-	17	15
Profit before tax and non-controlling interest	2 954	4 816	12 948
Taxation	(529)	(732)	(1 605)
Non-controlling interest	(142)	(205)	(363)
	2 283	3 879	10 980

GROUP FINANCIAL STATEMENTS (continued)

Headline earnings reconciliation

R million	Unaudited Six months ended		Audited Year ended
	31 December 2022	31 December 2021	30 June 2022
Net profit for the period attributable to equity holders (earnings)	3 951	4 932	13 139
Impairment of equity accounted investments ¹	-	-	193
Reversal of impairment of equity accounted investments ¹	(5)	(30)	(361)
Impairment of property, plant and equipment	1	-	106
Reversal of impairment of property, plant and equipment	-	-	(253)
Impairment of intangible and other assets	-	-	162
Profit on sale and dilution of equity accounted investments	(365)	(92)	(395)
Loss on sale and dilution of equity accounted investments	-	-	1
Profit on disposal of property, plant and equipment	(21)	(37)	(83)
Loss on disposal of property, plant and equipment	34	6	23
Loss on disposal of intangible assets	-	-	(12)
Non-headline earnings items included in equity accounted earnings of equity accounted investments	(57)	(1 479)	(6 189)
- Profit on disposal of property, plant and equipment	(14)	(3)	(67)
- Profit on sale of investments ²	(44)	(1 492)	(6 298)
- Loss on sale of investments	-	1	1
- Impairment of investments, assets and goodwill	1	32	190
- Other headline earnings adjustable items	-	(17)	(15)
Taxation effect of adjustments	4	22	135
Non-controlling interest	(13)	23	28
Headline earnings	3 529	3 345	6 494

1. Refer to "Net impairments of equity accounted investments" under "Additional information" for further detail.
2. "Profit on sale of investments" from equity accounted investments for the six months ended 31 December 2022 includes Remgro's portion of the profit realised by OUTsurance Group on the disposal of its investment in Hastings (R1 478 million). The year ended 30 June 2022 also includes Remgro's portion of the profit realised by OUTsurance Group on the unbundling of its investments in Discovery and Momentum Metropolitan (totalling R4 667 million).

GROUP FINANCIAL STATEMENTS (continued)

Earnings and dividends

Cents	Unaudited Six months ended		Audited Year ended
	31 December 2022	31 December 2021	30 June 2022
Headline earnings per share			
– Basic	626.2	592.3	1 150.6
– Diluted	621.3	588.0	1 141.4
Earnings per share			
– Basic	701.1	873.3	2 327.9
– Diluted	695.6	867.8	2 312.5
Dividends per share			
Ordinary	80.00	50.00	150.00
– Interim	80.00	50.00	50.00
– Final	-	-	100.00

Number of shares

	Unaudited		Audited
	31 December 2022	31 December 2021	30 June 2022
Ordinary shares of no par value	529 217 007	529 217 007	529 217 007
Unlisted B ordinary shares of no par value	39 056 987	39 056 987	39 056 987
Total number of shares in issue	568 273 994	568 273 994	568 273 994
Number of shares held in treasury			
Ordinary shares repurchased and held in treasury	(5 867 069)	(4 221 274)	(4 205 497)
	562 406 925	564 052 720	564 068 497
Weighted number of shares	563 561 635	564 769 052	564 417 614

In determining earnings per share and headline earnings per share the weighted number of shares was taken into account.

GROUP FINANCIAL STATEMENTS (continued)

Summary consolidated statement of comprehensive income

R million	Unaudited Six months ended		Audited Year ended
	31 December 2022	31 December 2021	30 June 2022
Net profit for the period	5 019	6 107	14 979
Other comprehensive income, net of tax	4 589	6 032	(1 946)
Items that may be reclassified subsequently to the income statement:			
Exchange rate adjustments	1 505	3 963	578
Fair value adjustments for the period	56	200	(791)
Deferred taxation on fair value adjustments	(65)	(46)	13
Reclassification of other comprehensive income to the income statement	(350)	(1)	64
Other comprehensive income of equity accounted investments	3 362	866	1 558
Items that will not be reclassified to the income statement:			
Fair value adjustments for the period	107	879	(306)
Deferred taxation on fair value adjustments	229	(191)	(2 236)
Capital Gains Taxation on disposal of FVOCI investments	(118)	(16)	(40)
Remeasurement of post-employment benefit obligations	(92)	58	42
Deferred taxation on remeasurement of post-employment benefit obligations	24	(16)	-
Change in reserves of equity accounted investments	(69)	336	(828)
Total comprehensive income for the period	9 608	12 139	13 033
Total comprehensive income attributable to:			
Equity holders	8 564	10 671	11 031
Non-controlling interest	1 044	1 468	2 002
	9 608	12 139	13 033

Summary consolidated statement of changes in equity

R million	Unaudited Six months ended		Audited Year ended
	31 December 2022	31 December 2021	30 June 2022
Balance at the beginning of the period	115 880	103 576	103 576
Total comprehensive income for the period	9 608	12 139	13 033
Dividends paid	(622)	(399)	(721)
Dividends <i>in specie</i> (Grindrod unbundling)	(1 629)	-	-
Transactions with non-controlling shareholders	(1)	5	(11)
Other movements	-	9	10
Businesses acquired	-	2	40
Long-term share incentive scheme reserve	5	34	90
Purchase of shares by wholly owned subsidiary	(274)	(137)	(137)
Balance at the end of the period	122 967	115 229	115 880

GROUP FINANCIAL STATEMENTS (continued)

Summary consolidated statement of cash flows

R million	Unaudited Six months ended		Audited Year ended
	31 December 2022	31 December 2021	30 June 2022
Cash flows – operating activities			
Cash generated from operations	1 270	4 745	7 756
Interest received	510	223	535
Taxation paid	(910)	(650)	(1 430)
Dividends received	1 370	751	2 223
Finance costs	(629)	(655)	(1 185)
Cash available from operating activities	1 611	4 414	7 899
Proceeds from retirement fund assets transferred to Distell	-	55	55
Cash settled share-based payments made by Distell	(138)	(105)	(148)
Dividends paid	(622)	(399)	(721)
Cash inflow from operating activities	851	3 965	7 085
Cash flows – investing activities			
Investment in property, plant and equipment and other assets	(1 586)	(1 374)	(3 272)
Proceeds on disposal of property, plant and equipment and intangible assets	58	165	262
Proceeds on disposal of assets held for sale ¹	977	6	13
Businesses acquired	-	(6)	(84)
Proceeds on disposal of investments and loans ²	307	421	3 536
Additions to investments and loans ³	(269)	(2 401)	(2 437)
Investment in money market funds	(1 610)	(2 240)	(690)
Withdrawal of money market funds	-	1 060	-
Cash outflow from investing activities	(2 123)	(4 369)	(2 672)
Cash flows – financing activities			
Loans repaid	(655)	(103)	(1 618)
Lease payments	(179)	(217)	(474)
Purchase of treasury shares	(274)	(137)	(137)
Other movements	112	80	367
Cash outflow from financing activities	(996)	(377)	(1 862)
Net increase/(decrease) in cash and cash equivalents	(2 268)	(781)	2 551
Exchange rate profit on foreign cash	108	333	353
Cash and cash equivalents at the beginning of the period	11 505	8 601	8 601
Cash and cash equivalents at the end of the period	9 345	8 153	11 505
Cash and cash equivalents – per statement of financial position	10 983	9 219	11 884
Bank overdraft	(1 638)	(1 066)	(379)

1. The period under review included the proceeds on the disposal of 19.2 million FirstRand shares amounting to R959 million.
2. During June 2022 Remgro sold 40.8 million FirstRand shares. Proceeds of R1 798 million were received by 30 June 2022 and the remaining R240 million during July 2022.
3. The prior periods included an investment in CIVH amounting to R2 124 million.

GROUP FINANCIAL STATEMENTS (continued)

Additional information

1. Accounting policies

The interim report is prepared in accordance with the recognition and measurement principles of International Financial Reporting Standards (*IFRS*), including *IAS 34: Interim Financial Reporting*, and the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and Financial Pronouncements as issued by the Financial Reporting Standards Council, and in accordance with the requirements of the Companies Act (No. 71 of 2008), as amended, and the Listings Requirements of the JSE Limited. The financial statements have been prepared under the supervision of the Chief Financial Officer, Neville Williams CA(SA). The interim report has not been audited or reviewed.

These financial statements incorporate accounting policies that are consistent with those of the previous financial periods. During the period under review various other interpretations and amendments became effective, but their implementation had no impact on the results of either the current or prior periods.

Significant judgement taken at 31 December 2022

Distell transaction (refer to “Investment Activities” on page 10) and non-current assets held for sale and discontinued operations

Distell is a subsidiary of Remgro. The proposed transaction for Heineken International B.V. (Heineken) to acquire the majority of Distell's business (the affected Distell assets) was approved by the Distell's shareholders on 15 February 2022. The criteria for classification of the transaction in terms of *IFRS 5: Non-current assets held for sale and discontinued operations* were not met at 31 December 2022, based on the following:

- Although management is committed to the transaction and the scheme has already been approved by the shareholders, various regulatory approvals were still ongoing at the reporting date. The Competition Tribunal of South Africa issued its ruling on 9 March 2023. At 31 December 2022, this approval was considered to be substantive in nature, as conditions may have been imposed, or the approval may have been withheld. The possible conditions may have resulted in significant changes to the planned transaction, as well as in delays in concluding the transaction. In addition, shareholders are still required to make an election to accept either cash, reinvestment in shares or a combination of cash and shares in a fixed ratio. The final selection in this regard may also impact the transaction as planned due to overall limits applicable to the number of shares Scheme participants can elect to receive, or minimum subscription thresholds if a capital raise is required. Scheme Conditions must be fulfilled or, if applicable, waived on or before the Scheme Longstop Date of 13 May 2023, failing which the Scheme will not proceed.
- The affected Distell assets, due to be acquired by Heineken if the transaction becomes effective, were not available for immediate distribution in the condition as envisaged in the proposed transaction, as a comprehensive internal restructuring is still required to carve these assets out of the existing Distell structure, both from a legal and operational perspective.

Held for sale classification is only achieved where the asset is available for immediate distribution in its present condition and the sale is highly probable. On this basis, the affected Distell assets are not classified as held for sale as it is not considered to be available for disposal in its present condition and have not met the “highly probable” criteria defined by *IFRS 5*, as set out above, at 31 December 2022.

GROUP FINANCIAL STATEMENTS (continued)

2. Equity accounted investments

R million	Unaudited		Audited
	31 December 2022	31 December 2021	30 June 2022
Associates	47 406	51 503	43 317
Joint ventures	7 654	7 427	7 454
Investments – equity accounted	55 060	58 930	50 771
Loans to equity accounted investments - current	26	39	15
	55 086	58 969	50 786
Equity accounted investments reconciliation			
Carrying value at the beginning of the period	50 786	50 301	50 301
Share of net attributable profit	2 283	3 879	10 980
Dividends received	(906)	(483)	(1 687)
Grindrod unbundled ¹	(1 649)	-	-
Investments made ²	18	2 138	2 163
Discovery dividend <i>in specie</i> ³	-	-	(8 561)
Momentum Metropolitan dividend <i>in specie</i> ³	-	-	(2 056)
Exchange rate differences	1 219	3 025	(244)
Grindrod Shipping transferred to non-current assets held for sale/disposed of ⁴	-	(1 055)	(1 055)
Net impairments	5	30	168
Net allowances on loans	-	1	1
Equity accounted movements on reserves	3 293	1 232	729
Other movements	37	(99)	47
Carrying value at the end of the period	55 086	58 969	50 786

1. Refer to "Investment activities" for further detail.

2. The prior periods included an investment in CIVH amounting to R2 124 million.

3. During April 2022 OUTsurance Group unbundled its investments in Discovery and Momentum Metropolitan. Remgro received a 7.7% interest in Discovery and an 8.6% interest in Momentum Metropolitan and both the investments were classified as financial instruments at fair value through other comprehensive income.

4. During January 2022 Remgro sold its investment in Grindrod Shipping.

R million	Unaudited		Audited
	31 December 2022	31 December 2021	30 June 2022
Net impairments of equity accounted investments and loss allowances on loans			
Reversal of impairments/(impairments) were recognised for the following investments:			
Business Partners ¹	-	-	(193)
Grindrod ²	-	-	361
Other impairments and loss allowances	5	31	1
	5	31	169

1. Business Partners' fair value declined mainly due to an increase in the tradability discount applied to the valuation thereof.

2. At 30 June 2022 Grindrod's listed share price recovered significantly (85% increase year-on-year) following much improved trading results mainly due to the recovery in the logistics and port and terminals sectors in which it operates.

At 31 December 2022, the listed market value of the investment in Mediclinic was R33 357 million, which significantly exceeded the carrying value of R31 790 million. The company's share price was also positively affected during June 2022 by Remgro and Mediterranean Shipping Company's cash offer to the other Mediclinic shareholders

GROUP FINANCIAL STATEMENTS (continued)

2. Equity accounted investments (continued)

of £5.04 per Mediclinic share. Included in the carrying value of the investment is an impairment of R3 898 million which arose following regulatory changes in the investments' Switzerland business that affected its profitability since the 2019 financial year. Subsequently, the business was also severely impacted by the Covid-19 pandemic. While the Switzerland business is adapting to the new business environment and is recovering after the pandemic, its profitability has not yet improved sufficiently to warrant a (partial) reversal of the impairment.

3. Investments at fair value through other comprehensive income (FVOCI)

R million	Unaudited		Audited
	31 December 2022	31 December 2021	30 June 2022
Carrying value at the beginning of the period	20 650	14 342	14 342
Fair value adjustments for the period	43	1 325	(740)
Investments made	240	181	243
Discovery received as a dividend <i>in specie</i> ¹	-	-	8 561
Momentum Metropolitan received as dividend <i>in specie</i> ¹	-	-	2 056
Exchange rate differences	102	320	352
Disposals ²	(67)	(258)	(2 966)
Transfer to assets held for sale ²	-	-	(1 198)
Other movements	(115)	-	-
Carrying value at the end of the period	20 853	15 910	20 650

- During April 2022 OUTsurance Group unbundled its investments in Discovery and Momentum Metropolitan. Remgro received a 7.7% interest in Discovery and an 8.6% interest in Momentum Metropolitan.
- During June 2022 Remgro sold 40.8 million FirstRand shares valued at R2 704 million. At 30 June 2022 19.2 million shares valued at R1 198 million were transferred to assets held for sale and sold during July 2022. These disposals were part of Remgro's decision to sell 60 million of its FirstRand ordinary shares which were hedged in the 2020 financial year via a zero cost collar.

R million	Unaudited		Audited
	31 December 2022	31 December 2021	30 June 2022
4. Additions to and replacement of property, plant and equipment	1 714	1 383	3 077
5. Capital and investment commitments ¹ (Including amounts authorised, but not yet contracted for)	8 783	4 637	6 208
6. Guarantees and contingent liabilities	34	39	25
7. Dividends received from equity accounted investments set off against investments	906	483	12 304
8. Refer to "investment activities" under "Group financial review" for more detail on related party transactions.			

- The period under review includes the £201 million commitment in respect of the Mediclinic transaction whereby Remgro agreed to purchase a further 5.4% indirect interest in Mediclinic.

GROUP FINANCIAL STATEMENTS (continued)

9. Fair value remeasurements

The following methods and assumptions are used to determine the fair value of each class of financial instruments:

- Financial instruments at fair value and investment in money market funds: fair value is based on quoted market prices or, in the case of unlisted instruments, appropriate valuation methodologies, being discounted cash flow, liquidation valuation or actual net asset value of the investment.
- Derivative instruments: The fair values of derivative instruments, which are included in financial instruments at FVPL, are determined by using appropriate valuation methodologies and mark-to-market valuations.

Financial instruments measured at fair value, are disclosed by level of the following fair value hierarchy:

Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2 – Inputs (other than quoted prices included within level 1) that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices); and

Level 3 – Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The following table illustrates the fair values of financial assets and liabilities that are measured at fair value, by hierarchy level:

R million	Level 1	Level 2	Level 3	Total
31 December 2022 (unaudited)				
Assets				
Non-current assets				
Financial assets at FVOCI	18 188	-	2 665	20 853
Financial assets at FVPL	-	-	242	242
Hedge derivatives	-	116	-	116
Current assets				
Financial assets at FVPL	-	66	-	66
Investment in money market funds	7 310	-	-	7 310
	25 498	182	2 907	28 587
Liabilities				
Current instruments at FVPL	-	22	-	22
31 December 2021 (unaudited)				
Assets				
Non-current assets				
Financial assets at FVOCI	13 433	-	2 477	15 910
Financial assets at FVPL	-	-	235	235
Current assets				
Financial assets at FVPL	-	39	-	39
Investment in money market funds	6 190	-	-	6 190
	19 623	39	2 712	22 374
Liabilities				
Current instruments at FVPL	-	830	-	830

GROUP FINANCIAL STATEMENTS (continued)

9. Fair value remeasurements (continued)

R million	Level 1	Level 2	Level 3	Total
30 June 2022 (audited)				
Assets				
Non-current assets				
Financial assets at FVOCI	18 248	-	2 402	20 650
Financial assets at FVPL	-	-	242	242
Current assets				
Financial assets at FVPL	-	78	-	78
Investment in money market funds	5 700	-	-	5 700
	23 948	78	2 644	26 670
Liabilities				
Current instruments at FVPL	-	33	-	33
Hedge derivatives	-	51	-	51
	-	84	-	84

The following table illustrates the reconciliation of the carrying value of level 3 assets at the beginning and end of the year:

R million	Financial assets at FVOCI	Financial assets at FVPL	Total
Assets			
Balances at 1 July 2022	2 402	242	2 644
Additions	240	-	240
Disposals	(67)	-	(67)
Transfers	(126)	-	(126)
Exchange rate adjustment	47	-	47
Fair value adjustments through other comprehensive income	169	-	169
Balances at 31 December 2022	2 665	242	2 907

Level 3 financial assets consist mainly of investments in the Milestone China entities (Milestone), the Pembani Remgro Infrastructure Fund (PRIF) and Asia Partners Fund I LP and Asia Partners Fund II (Asia Partners) amounting to R757 million, R716 million and R599 million, respectively. These investments are all valued based on the fair value of each investment's underlying assets, which are valued using a variety of valuation methodologies. Listed entities are valued at the last quoted share price on the reporting date, whereas unlisted entities' valuation methods include discounted cash flow valuations, appropriate earnings and revenue multiples.

Milestone's fair value consists of listed investments (17%), cash and cash equivalents (6%) and unlisted investments (77%). Unlisted investments included at transaction prices in Milestone's fair value amounted to R227 million, while its remaining unlisted investment was valued at R356 million. PRIF has seven main investments of which Export Trading Group (ETG) is the most significant. ETG was valued at the present value of the exit price per a binding share sale agreement. PRIF's other investments were valued using the discounted cash flow method. The investments in Asia Partners, a diversified investment vehicle, were valued at R599 million and consist of investments valued as options (65%), measured at cost (34%) and cash (1%). Other investments included as level 3 financial assets include the investments in Bolt and LifeQ, which were valued at R254 million and R207 million, respectively, and were valued using the comparable company method (Enterprise value/Revenue multiple).

Remgro's unlisted investments classified as level 3 financial instruments are widely held. Accordingly, changes in the assumptions used to value the above-mentioned investments will not have a significant impact on Remgro's financial statements.

GROUP FINANCIAL STATEMENTS (continued)

10. Segment revenue

R million	Unaudited Six months ended		Audited
	31 December 2022	31 December 2021	Year ended 30 June 2022
Consumer products			
Distell	20 630	17 801	34 134
RCL Foods	20 071	17 065	34 744
Siqalo Foods	2 009	1 792	3 546
Industrial			
Wispeco	1 978	1 681	3 598
Other	39	-	74
Total revenue	44 727	38 339	76 096

Disaggregated revenue information

R million	Unaudited Six months ended		Audited
	31 December 2022	31 December 2021	Year ended 30 June 2022
Distell			
Spirits	8 012	7 422	13 680
Wines	4 211	3 905	7 422
Cider and ready-to-drinks	8 388	6 468	13 012
Other	19	6	20
	20 630	17 801	34 134
RCL Foods			
RCL Foods Value-Added Business	12 240	10 490	21 221
Groceries	3 387	3 078	6 006
Baking	3 487	2 980	6 214
Sugar	5 366	4 432	9 001
Rainbow	6 579	5 518	11 385
Vector Logistics	2 144	1 830	3 692
Sales between RCL Foods' business units	(912)	(785)	(1 581)
Group	106	94	190
	20 157	17 147	34 907
Siqalo Foods			
Spreads	2 009	1 792	3 546
Wispeco			
Extrusions and related products	1 677	1 487	3 050
Other	301	194	548
	1 978	1 681	3 598
Other	39	-	74
Elimination of intersegment revenue	(86)	(82)	(163)
Total revenue	44 727	38 339	76 096

Information on unlisted investments

CIVH



CIVH is active in the telecommunications and information technology sectors. It is the holding company of Maziv, a newly created investment vehicle that holds CIVH's interest in a group of companies of which DFA and Vumatel are its largest operating subsidiaries.

DFA is the premier open-access fibre infrastructure and connectivity provider in South Africa. It builds, installs, manages and maintains a fibre network to transmit metro and long-haul telecommunications traffic, which is leased to its customers (Telecommunication Companies and Internet Service Providers (ISPs)) using an open-access wholesale commercial model. DFA has in excess of 13 600 km of fibre assets in the ground and owns fibre networks in Johannesburg, Cape Town, Durban, Midrand, Centurion and Pretoria, as well as other smaller metros, such as East London, Polokwane, Tlokwe, Emalahleni and George, to name a few.

Vumatel is an open-access fibre-to-the-home (FTTH) provider and leases its infrastructure to ISPs who, in turn, provide broadband retail internet services to the end customers.

CIVH has a March year-end and its results for the six months ended 30 September 2022 have been included in Remgro's results for the period under review. CIVH's contribution to Remgro's headline earnings for the period under review amounted to a profit of R184 million (2021: a loss of R23 million). The performance of the continuing underlying businesses' revenue improved by 14% largely due to the network expansion over the last two years which resulted in improved operating earnings for the six months to 30 September 2022 of R1 176 million (30 September 2021: R696 million).

The group is operationally cash generative and continues to reinvest any excess operating cash flow and capital into expanding its operations and network footprint, with a continued principle of limiting overbuild in key markets.

Vumatel is the FTTH leader in both the homes passed and connected homes market in South Africa achieving a market share of 36% and 34%, respectively. Vumatel remains a growth asset for the group as it continues infrastructure expansion into identified lower Living Standards Measure (LSM) areas and accelerating connections in both its traditional core network and lower LSM areas.

Vumatel Group's revenue for the period increased by 14.2% to R1 642 million compared to the prior period of R1 438 million, driven by its fibre infrastructure expansion program and subscriber uptake growth for the period. Vumatel's underlying operating earnings increased by 16.7% to R565 million for the six months to 30 September 2022 (30 September 2021: R484 million).

The DFA Group's revenue from continuing operations for the six months ended 30 September 2022 increased by 10.5% to R1 297 million (2021: R1 174 million). DFA's underlying operating earnings from continuing operations increased by 112.8% to R647 million (September 2021: R304 million) with annuity income increasing to R210 million per month at 30 September 2022 (30 September 2021: R192 million per month).

Vumatel's CSI initiatives aim to contribute to a meaningful and sustainable social impact within the communities it serves. Vumatel is committed to connecting every school that it passes within its fibre rollout areas with a free 1Gbps uncapped internet service. To date, Vumatel, together with its ISP partners, have connected 670 schools, 490 of which are in traditional core areas and 180 are in lower LSM areas. An estimate of 520 000 learners and 12 000 teachers have been positively impacted by this initiative.

Information on unlisted investments (continued)

CIVH (continued)

Vumatel has also partnered with content providers to primary and high schools, Splashlearn and Subjex, providing online subject support for CAPS and IEB curriculums, and iGogos, 'Gogos with Vuma', an initiative that teaches the elderly and carers to work with technology and understand the benefits of connectivity. These partnerships have allowed Vumatel to provide much-needed services catering for respective educational, community and economic needs.

DFA's ongoing CSI focus is filling gaps in infrastructure development and bridging the digital divide in high-poverty areas. One of the positive impacts is on providing student access to e-learning and ultimately, new job creation and access to the economy.

Siqalo Foods



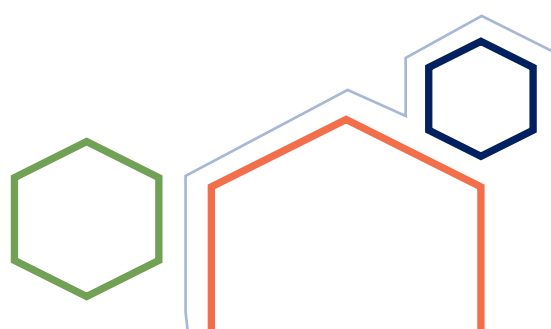
Siqalo Foods manufactures spreads, which are sold under market-leading trade marks such as Rama, Flora, Stork and Rondo within the Southern African Customs Union territories.

Siqalo Foods' contribution to Remgro's headline earnings for the six months under review amounted to R162 million (2021: R205 million), excluding additional *IFRS 3* amortisation of R40 million (2021: R40 million).

The trading environment remains a challenge due to volatile commodity prices and exchange rates, increased load shedding and rising inflation and interest rates. Due to continued cost pressure the business was required to again increase prices in October 2022, the full impact of which the business was unable to pass to the already cash strapped consumer. Siqalo Foods has experienced a decrease of 2.1% in volumes for the six months under review as consumer spend is negatively impacted by the elevated inflationary environment. The decrease in volume coupled with a 20.6% increase in material cost, driven by volatile commodity prices and exchange rates, resulted in a 2.0% overall decrease in operational EBITDA. This excludes the negative IFRS 9 fair value adjustments of R29 million (2021: positive adjustment of R31 million) on commodity and foreign exchange contracts entered into as part of the raw material procurement strategy.

The spreads category remains under pressure with a decline of 0.5% in volume over the last 12-months in comparison to the prior year. Siqalo Foods continues to perform well in the category and has managed to grow its 12-month moving average volume market share to 64.9% as at 31 December 2022 compared to 64.4% in the prior year. The business remains committed to grow its brands and volumes in 2023, while recovering its profit margins during these turbulent times.

Two contracts are in place with RCL Foods: Vector Logistics provides distribution, sales and merchandising, while a management services contract governs certain services that RCL Foods' Shared Services platform provides to Siqalo Foods on an arm's length basis. The result is an innovative alternative business model, leveraging the capabilities within the wider Remgro Group of companies.



Information on unlisted investments (continued)

Air Products



Air Products has a September year-end and its results for the six months ended 30 September 2022 have been included in Remgro's results for the period under review. Air Products' contribution to Remgro's headline earnings for the period under review increased by 18.7% to R254 million (2021: R214 million).

Turnover for Air Products' six months ended 30 September 2022 increased by 12.8% to R2 322 million (2021: R2 059 million), while the company's operating profit for the same period increased by 13.6% to R687 million (2021: R605 million).

Air Products is the largest manufacturer of industrial gases in Southern Africa. It imports and distributes a variety of specialty gases that are supplied to a wide range of industries including steel, chemicals, oil refining, resource minerals, glass, pulp and paper, food packaging, as well as general manufacturing, fabrication and welding.

The period under review saw continuing marginal improvement in overall industrial gas volumes. Demand for large tonnage gases was at similar levels to the prior period.

Bulk liquid volumes showed some improvement, particularly to the mining and food and hospitality sectors. Cylinder and other packaged gases demand was relatively strong, but considerable cost pressures were felt as a result of large fuel and electricity price increases.

TotalEnergies



TotalEnergies has a December year-end and its results for the six months to 31 December 2022 have been included in Remgro's results for the period under review. TotalEnergies' contribution to Remgro's headline earnings for the six months to 31 December 2022 amounted to a loss of R144 million (2021: profit of R301 million).

TotalEnergies' turnover for the six months ended 31 December 2022 increased by 15.8% to R46 018 million (2021: R39 746 million) due to a higher average basic fuel price. The average Brent Crude oil prices, that mainly drive the basic fuel price, were significantly higher during the period under review compared to the prior period due to the Russia-Ukraine war. Stock revaluations, relating to the movement in the Brent Crude oil price from 1 July 2022 to 31 December 2022, amounted to a loss of R1 522 million (2021: gain of R729 million).

TotalEnergies Refining achieved highly positive margins in the six-month period to 31 December 2022, due to the favourable refining market environment. NATREF's average refining margin indicator for the period under review increased from \$25/ton (for the six months ended 31 December 2021) to \$121/ton mainly due to the higher product cracks (favourable refining mix) and lower freight.

KTH



KTH is a leading black-owned investment holding company with a strong and diversified asset portfolio comprising a mix of listed and private investments in the media, financial services, industrial, services and healthcare sectors.

KTH's contribution to Remgro's headline earnings for the period under review amounted to a profit of R348 million (2021: R45 million). The increase in KTH's headline earnings for the year was driven by improved revenue, positive fair value movement in investments, a debt forgiveness gain, improved equity accounted income and lower finance cost.

KTH's revenue is up 6.2% when compared to the comparative period. Kagiso Media's revenue was up 1.7% to R589 million (2021: R579 million) and revenue from Lupo Bakery increased by 22.3% to R203 million (2021: R166 million).

Information on unlisted investments (continued)

KTH (continued)

KTH recognised a positive fair value movement on the preference share investment in Metropolitan Momentum (R88 million), which was driven by the increase in its share price (2021: a negative adjustment of R28 million).

The disposal of Actom resulted in a lender waiving its right to receive payment of the outstanding loan amount, resulting in a debt forgiveness gain of R521 million.

KTH's equity accounted income from associates increased by 113.2% from R53 million to R113 million. This increase was largely driven by Metropolitan Momentum (R107 million), Kagiso Media Radio associates (R15 million) and Aurora Wind Power Proprietary Limited (R5 million), partly offset by losses from Servest of R14 million.

Net finance cost for the period was R45 million (2021: R52 million) and was impacted by higher interest rates. The settlement of the debt associated with Actom will result in a reduction of KTH's finance costs going forward.

Wispeco



Wispeco's turnover for the six months ended 31 December 2022 increased by 17.7% to R1 978 million (2021: R1 681 million). The increase in revenue is mainly due to higher selling prices and volume growth of brass sprinkler frame exports. Sales volumes of aluminium extrusions were lower than the comparative period. Market demand for extrusions was subdued as competitive pressures increased with short-term prospects remaining uncertain. Contributing factors include disruptive load shedding, high fuel prices and rising interest rates, which negatively impact consumer confidence and discretionary spending.

Headline earnings for the period under review increased by 15.9% to R146 million (2021: R126 million). The growth in sprinkler frame exports played a significant role and manufacturing efficiencies in aluminium factories remained respectable. The comparative period's earnings did include the effect of a three-week wage strike in the Metals and Engineering sector.

Wispeco remains focused on prioritising customer service and therefore continues to invest in manufacturing capacity. The ninth extrusion press was commissioned in March 2022, while the second vertical power coating plant produced its first coated material in December 2022. These investments address critical bottlenecks aimed at minimising make-to-order lead times.

A large stockist distribution footprint across Southern Africa ensures the widespread availability of Crealco products. Further additions to the footprint were aimed at penetrating market segments with growth potential. Wispeco continues to lead the way with its unique fenestration design software offerings.

Exciting export opportunities for brass sprinkler frames are being unlocked through investment in machining capability and expansion of pressure die casting capacity.

Information on unlisted investments (continued)

Business Partners



Business Partners has a March year-end and its results for the six months ended 30 September 2022 have been included in Remgro's results for the period under review. Business Partners' contribution to Remgro's headline earnings for the period under review amounted to R41 million (2021: R28 million).

Business Partners is a specialist financial services group offering risk finance, mentorship and business premises to small and medium enterprises (SMEs).

Recent global and local events have combined to create a difficult trading environment for SME's. The Russia-Ukraine war continues to destabilise the global economy, precipitating an energy crisis in Europe, pushing up food prices in the world markets, and, simultaneously, disrupting global supply chains due to heightened geopolitical tensions. China's zero Covid-19 policy contributed to a slowdown in its economic growth, further disrupting global supply chains. These pressures along with global sustained periods of low interest rates, have resulted in the highest levels of inflation in developed countries since 1982. In trying to reign in this inflation, there has been a swift tightening of monetary policy by central banks, with higher interest rates further dampening global economic growth.

South Africa's economic prospects are strongly linked to developments in the global economy. The strong US dollar has significantly increased the cost of imports, especially fuel, contributing to high inflation and the related increase in interest rates.

Indicators of distress continue to be observed in the SME sector and prospects remain negative in the short to medium term.

The satisfactory growth in the earnings of Business Partners is laudable when considered against the prevailing economic conditions. Net profit for the period under review increased by 39.0% from R88 million to R122 million. This increase is attributed to the improvement in net interest income primarily due to an increase in the average prime interest rate from 7.0% in the comparative period to 8.4% in the current period, the release of credit impairments and the containment of staff and other costs.

The Covid-19 pandemic has had a prolonged effect on the Tourism industry. The company launched a relief programme for tourism businesses and financial assistance of R101 million was provided to 115 businesses in the period under review. The company approved 227 investments amounting to R555 million which includes the financial assistance to the tourism sector.

SEACOM



Remgro has an effective economic interest of 30% in SEACOM, a converged telecommunications provider which operates subsea and terrestrial fibre-optic connectivity, internet services, voice, cloud, and security solutions to the Wholesale and Enterprise markets in Southern and East Africa.

SEACOM has a December year-end. Its results for the six months ended 31 December 2022 have been included in Remgro's results for the year under review. SEACOM's contribution to Remgro's headline earnings for the period under review amounted R29 million (2021: R8 million). The increase in profitability for this period is primarily attributable to growth within the wholesale sector and continued initiatives to manage operational costs.

Information on unlisted investments (continued)

SEACOM (continued)

The business has serviced the demand for connectivity and cloud services in the Enterprise sector as Corporates have emerged out of the Covid-19 pandemic. Stable growth was experienced within the Wholesale sector during the period as Africa's digital infrastructure maturity deepens.

SEACOM's ability to adapt to the rapidly evolving data market and invest in its submarine, terrestrial network and cloud infrastructure allows it to respond to an ever-increasing demand for faster and more reliable data services and is critical to maintaining its ongoing competitive positioning.

Key highlights during the period include the conclusion of the acquisition of EOH's Network Solutions business. SEACOM continues with other organic strategic enhancements to its network such as the acquisition of capacity on Equiano's west coast cable system.

eMedia Investments



eMedia Investments is the only investment of eMedia Holdings Limited (eMedia Holdings). Refer to the commentary of eMedia Holdings, listed on the JSE, which was released on SENS on 24 November 2022.

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

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Transfer Secretaries

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Rosebank Towers, 15 Biermann Avenue, Rosebank 2196
(Private Bag X9000, Saxonwold 2132)

Auditors

PricewaterhouseCoopers Inc.
Stellenbosch, South Africa

Sponsor

Rand Merchant Bank (A division of FirstRand Bank Limited)

Website

www.remgro.com