

Statement of FINANCIAL POSITION

at 30 June 2022

R million	Notes	30 June 2022	30 June 2021
Assets			
Non-current assets			
Property, plant and equipment		17 831	16 765
Investment properties		137	124
Intangible assets	4	20 275	20 680
Investments – Equity accounted	5	50 771	50 207
– Financial assets at fair value through other comprehensive income (FVOCI) ⁽¹⁾		20 650	14 342
Financial assets at fair value through profit and loss (FVPL)		242	214
Retirement benefits		709	692
Long-term loans and debtors		155	146
Deferred taxation		219	208
		110 989	103 378
Current assets			
Inventories		13 568	12 621
Biological agricultural assets		1 232	955
Debtors and short-term loans		11 903	9 597
Loans to equity accounted investments		15	94
Financial assets at FVPL		78	83
Taxation		98	258
Investment in money market funds		5 700	5 010
Cash and cash equivalents		11 884	8 763
		44 478	37 381
Assets held for sale		1 231	7
		156 698	140 766
Equity and liabilities			
Stated capital		13 416	13 416
Reserves		85 712	75 204
Treasury shares		(685)	(561)
Shareholders' equity		98 443	88 059
Non-controlling interest		17 437	15 517
Total equity		115 880	103 576
Non-current liabilities			
Retirement benefits		149	136
Long-term loans	6	11 693	11 978
Lease liabilities		959	1 440
Deferred taxation		8 276	6 389
Hedge derivatives		51	160
Current liabilities		19 690	17 087
Trade and other payables		16 025	12 844
Short-term loans		2 681	3 401
Lease liabilities		231	275
Financial liabilities at FVPL		33	471
Taxation		325	96
		19 295	17 087
Liabilities held for sale		395	–
		156 698	140 766

⁽¹⁾ During April 2022 RMI unbundled its investments in Discovery and Momentum Metropolitan. Remgro received a 7.7% interest in Discovery (amounting to R8 561 million) and an 8.6% interest in Momentum Metropolitan (amounting to R2 056 million) and both the investments were classified as financial instruments at fair value through other comprehensive income. Refer to note 13 for further detail.

INCOME statement

for the year ended 30 June 2022

R million	Notes	30 June 2022	30 June 2021
Revenue	12	76 096	65 803
Inventory expenses		(46 073)	(38 387)
Staff costs		(10 056)	(9 251)
Depreciation		(1 892)	(1 711)
Other net operating expenses		(13 015)	(12 005)
Trading profit		5 060	4 449
Dividend income		641	366
Interest received		537	446
Finance costs		(1 229)	(1 548)
Impairment of investments, assets and goodwill		(461)	(119)
Reversal of impairment of investments and assets		614	1 158
Loss allowances on loans		45	(205)
Bargain purchase gain		-	8
Profit on sale and dilution of investments		394	17
Consolidated profit before tax		5 601	4 572
Taxation		(1 602)	(1 135)
Consolidated profit after tax		3 999	3 437
Share of after-tax profit of equity accounted investments	5	10 980	1 618
Net profit for the year		14 979	5 055
Attributable to:			
Equity holders		13 139	3 550
Non-controlling interest		1 840	1 505
		14 979	5 055

Statement of COMPREHENSIVE INCOME

for the year ended 30 June 2022

R million	30 June 2022	30 June 2021
Net profit for the year	14 979	5 055
Other comprehensive income, net of tax	(1 946)	(2 512)
Items that may be reclassified subsequently to the income statement:		
Exchange rate adjustments	578	(4 188)
Fair value adjustments for the year	(791)	(520)
Deferred taxation on fair value adjustments	13	112
Reclassification of other comprehensive income to the income statement	64	9
Other comprehensive income of equity accounted investments	1 558	(2 627)
Items that will not be reclassified to the income statement:		
Fair value adjustments for the year	(306)	4 150
Deferred taxation on fair value adjustments	(2 236)	(448)
Capital gains taxation on disposal of FVOCI investments	(40)	(343)
Remeasurement of post-employment benefit obligations	42	157
Deferred taxation on remeasurement of post-employment benefit obligations	–	(45)
Change in reserves of equity accounted investments	(828)	1 231
Total comprehensive income for the year	13 033	2 543
Total comprehensive income attributable to:		
Equity holders	11 031	1 345
Non-controlling interest	2 002	1 198
	13 033	2 543

Statement of CHANGES IN EQUITY

for the year ended 30 June 2022

R million	30 June 2022	30 June 2021
Balance at the beginning of the year	103 576	101 443
Total comprehensive income for the year	13 033	2 543
Dividends paid	(721)	(506)
Transactions with non-controlling shareholders	(11)	(241)
Other movements	10	18
Businesses acquired	40	3
Long-term share incentive scheme reserve	90	316
Purchase of shares by wholly owned subsidiary	(137)	–
Balance at the end of the year	115 880	103 576

Statement of CASH FLOWS

for the year ended 30 June 2022

R million	30 June 2022	30 June 2021
Cash flows – operating activities		
Cash generated from operations	7 756	7 017
Interest received	535	446
Taxation paid	(1 430)	(1 628)
Dividends received	2 223	1 293
Finance costs	(1 185)	(1 676)
Cash available from operating activities	7 899	5 452
Proceeds from retirement fund assets transferred to Distell	55	405
Cash settled share based payments made by Distell	(148)	–
Dividends paid	(721)	(506)
Cash inflow from operating activities	7 085	5 351
Cash flows – investing activities		
Investment in property, plant and equipment and other assets	(3 272)	(2 048)
Proceeds on disposal of property, plant and equipment and intangible assets	262	242
Proceeds on disposal of assets held for sale	13	510
Businesses acquired	(84)	(64)
Proceeds on disposal of investments and loans ⁽¹⁾	3 536	2 542
Additions to investments and loans ⁽²⁾	(2 437)	(2 317)
Investment in money market funds	(690)	(800)
Withdrawal of money market funds	–	735
Cash outflow from investing activities	(2 672)	(1 200)
Cash flows – financing activities		
Loans repaid ⁽³⁾	(1 618)	(7 579)
Lease payments	(474)	(454)
Purchase of treasury shares	(137)	–
Other movements	367	156
Cash outflow from financing activities	(1 862)	(7 877)
Net increase/(decrease) in cash and cash equivalents	2 551	(3 726)
Exchange rate profit/(loss) on foreign cash	353	(892)
Cash and cash equivalents at the beginning of the year	8 601	13 219
Cash and cash equivalents at the end of the year	11 505	8 601
Cash and cash equivalents – per statement of financial position	11 884	8 763
Bank overdraft	(379)	(162)

⁽¹⁾ The year under review included the proceeds on the disposal of 40 800 000 FirstRand shares amounting to R2 038 million (2021: 40 000 000 shares amounting to R2 040 million).

⁽²⁾ The year under review includes an investment in CIVH amounting to R2 124 million (2021: R1 636 million).

⁽³⁾ Remgro redeemed its exchangeable bonds for £350 million cash on 22 March 2021.

NOTES to the SUMMARY FINANCIAL STATEMENTS

for the year ended 30 June 2022

1. Basis of preparation

The summary consolidated financial statements are prepared in accordance with the requirements of the JSE Limited (JSE) for summary financial statements, and the requirements of the Companies Act applicable to summary financial statements. The JSE requires summary financial statements to be prepared in accordance with the framework concepts and the measurement and recognition requirements of International Financial Reporting Standards (IFRS) 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 to also, as a minimum, contain the information required by IAS 34: *Interim Financial Reporting*.

The accounting policies applied in the preparation of the consolidated financial statements from which the summary consolidated financial statements were derived are in terms of IFRS and are consistent with those accounting policies applied in the preparation of the previous consolidated Annual Financial Statements. During the year under review various other interpretations and amendments became effective, but their implementation had no impact on the results of either the current or prior years. The financial statements have been prepared under the supervision of the Chief Financial Officer, Neville Williams CA(SA).

The summary consolidated financial statements do not contain all the information and disclosures required in the consolidated financial statements. The summary consolidated financial statements have been extracted from the audited consolidated financial statements upon which PricewaterhouseCoopers Inc. has issued an unqualified report. The audited consolidated financial statements and the unqualified audit report are available for inspection at the registered office of the Company.

2. Headline earnings reconciliation

R million	30 June 2022	30 June 2021
Net profit for the year attributable to equity holders (earnings)	13 139	3 550
– Impairment of equity accounted investments ⁽¹⁾	193	22
– Reversal of impairment of equity accounted investments ⁽¹⁾	(361)	(1 154)
– Impairment of property, plant and equipment	106	97
– Reversal of impairment of property, plant and equipment	(253)	(3)
– Impairment of intangible and other assets	162	–
– Bargain purchase gain	–	(8)
– Profit on sale and dilution of equity accounted investments	(395)	(29)
– Loss on sale and dilution of equity accounted investments	1	12
– Profit on disposal of property, plant and equipment	(83)	(249)
– Loss on disposal of property, plant and equipment	23	17
– Loss on disposal of intangible assets	(12)	–
– Non-headline earnings items included in equity accounted earnings of equity accounted investments	(6 189)	468
– Profit on disposal of property, plant and equipment	(67)	(31)
– Profit on sale of investments ⁽²⁾	(6 298)	(70)
– Loss on sale of investments	1	76
– Impairment of investments, assets and goodwill	190	507
– Other headline earnings adjustable items	(15)	(14)
– Taxation effect of adjustments	135	(11)
– Non-controlling interest	28	173
Headline earnings	6 494	2 885

⁽¹⁾ Refer to “Net impairments of equity accounted investments” on page 152 for further details.

⁽²⁾ “Profit on sale of investments” from equity accounted investments for the year ended 30 June 2022 includes Remgro’s portion of the profit realised by RMI on the unbundling of its investments in Discovery and Momentum Metropolitan (totalling R4 667 million) and the disposal of its investment in Hastings (R1 465 million).



3. Earnings and dividends

Cents	30 June 2022	30 June 2021
Headline earnings per share		
– Basic	1 150.6	510.6
– Diluted	1 141.4	508.1
Earnings per share		
– Basic	2 327.9	628.3
– Diluted	2 312.5	625.5
Dividends per share		
Ordinary	150.00	90.00
– Interim	50.00	30.00
– Final	100.00	60.00

4. Intangible assets

R million	30 June 2022	30 June 2021
Carrying value at the beginning of the year	20 680	21 067
Additions	172	143
Disposals	(11)	–
Businesses acquired	91	59
Impairments	(162)	–
Amortisation	(509)	(495)
Foreign exchange translation	5	(91)
Transfers and other	9	(3)
Carrying value at the end of the year	20 275	20 680

5. Investments – equity accounted

R million	30 June 2022	30 June 2021
Associates	43 317	44 756
Joint ventures	7 454	5 451
Investments – Equity accounted	50 771	50 207
Loans to equity accounted investments – Current	15	94
	50 786	50 301

Equity accounted investments reconciliation

Carrying value at the beginning of the year	50 301	50 991
Share of net attributable profit/(loss)	10 980	1 618
Dividends received	(1 687)	(928)
Discovery dividend <i>in specie</i> ⁽¹⁾	(8 561)	–
Momentum Metropolitan dividend <i>in specie</i> ⁽¹⁾	(2 056)	–
Exchange rate differences	(244)	(2 727)
Investments made ⁽²⁾	2 163	1 830
Grindrod Shipping disposed ⁽¹⁾	(756)	–
Net impairments	168	1 132
Net allowances on loans	1	(121)
Equity accounted movements on reserves	729	(1 398)
Other movements	(252)	(96)
Carrying value at the end of the year	50 786	50 301

⁽¹⁾ Refer to “Investment activities” on page 140 for further detail.

⁽²⁾ The year under review includes an investment in CIVH amounting to R2 124 million (2021: R1 636 million).



5. Investments – equity accounted (continued)

Net impairments of equity accounted investments and loss allowances on loans

Reversal of impairments/(impairments) were recognised for the following investments:

R million	30 June 2022	30 June 2021
Business Partners ⁽¹⁾	(193)	(22)
Grindrod ⁽²⁾	361	488
Grindrod Shipping	–	607
Other impairments and loss allowances	1	(62)
	169	1 011

⁽¹⁾ The investment's fair value declined further mainly due to an increase in the tradability discount applied to the valuation thereof.

⁽²⁾ 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 30 June 2022, the listed market value of the investment in Mediclinic was R29 568 million, which significantly exceeded the carrying value of R26 681 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 of £5.04 per Mediclinic share. Based on the volume weighted average price for the year ended 30 June 2022, the fair value of the investment amounted to R23 296 million. Remgro also performed a value in use calculation and concluded that no further impairment of the investment is required. 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.

At 30 June 2021, the listed market value of the investment in Mediclinic was R19 358 million, which was significantly lower than the carrying value of R24 581 million. At that date Remgro also performed a value in use calculation and concluded that no additional impairment of the investment is required as its recoverable amount exceeded its carrying value. There were also no indicators that required the consideration of a reversal of impairment.

The value in use calculation is based on a discounted cash flow model. The calculation requires the use of estimates in respect of cash flows, growth and discount rates and it assumes a stable regulatory environment. These estimates are based on publicly available information such as analysts' consensus forecast and guidance provided by Mediclinic in its annual results. Given that Mediclinic, in terms of London Stock Exchange listing requirements and its Disclosure Guidance and Transparency Rules, must monitor such publicly available information for reasonability against its internal budgets and forecast and publish guidance should there be a significant deviance, management has comfort that the estimates used in the discounted cash flow calculation are reasonable. Cash flow projections for a five-year period were estimated and reflect management's best view of future earnings.

The discount and terminal growth rates used for the business segments are as follows:

%	30 June 2022		30 June 2021	
	Discount rate	Terminal growth rate	Discount rate	Terminal growth rate
South Africa	12.8	5.0	12.7	4.5
Switzerland	6.0	1.6	5.1	1.6
Middle East	8.7	3.5	8.7	3.0

The value in use model is sensitive to changes in the discount rate, long-term growth rate and projected cash flows. Increases in the discount rate or decreases in the short-term cash flow projections or terminal growth rate could give rise to an impairment charge in future.

Sensitivity analysis of assumptions used in the impairment test:

	Movement in discount rates	Movement in growth rates
South Africa (%)	+0.50	-0.50
Switzerland (%)	+0.25	-0.25
Middle East (%)	+0.50	-0.50
Potential impairment based on value in use as recoverable amount (R million)	1 795	2 216

Mediclinic operates in three regions. Each of its operations were separately valued as the economic indicators for each area vary. Accordingly, the sensitivity analysis takes account thereof.

5. Investments – equity accounted (continued)

Share of after-tax profit of equity accounted investments

R million	30 June 2022	30 June 2021
Profit before taking into account impairments and non-recurring items	6 826	3 404
Net impairment of investments, assets and goodwill	(190)	(507)
Profit/(loss) on the sale of investments	6 297	(6)
Other headline earnings adjustable items	15	14
Profit before tax and non-controlling interest	12 948	2 905
Taxation	(1 605)	(1 111)
Non-controlling interest	(363)	(176)
	10 980	1 618

6. Long-term loans

R million	30 June 2022	30 June 2021
20 000 Class A 7.5% cumulative redeemable preference shares ⁽¹⁾	3 509	3 508
10 000 Class B 7.8% cumulative redeemable preference shares ⁽¹⁾	4 329	4 313
Various other loans	5 835	7 076
	13 673	14 897
Short-term portion of long-term loans	(1 980)	(2 919)
	11 693	11 978

7. Additions to and replacement of property, plant and equipment

3 077 2 081

8. Capital and investment commitments

(Including amounts authorised but not yet contracted for)

6 208 5 818

9. Guarantees and contingent liabilities⁽²⁾

25 3 692

10. Dividends received from equity accounted investments set off against investments

12 304 928

⁽¹⁾ Remgro's debt covenant, which relates to the Class A and B cumulative redeemable preference shares, is based on net debt at the centre. As Remgro is in a net cash position, the debt covenant is comfortably met.

⁽²⁾ Remgro issued a guarantee to Rand Merchant Bank for a loan facility, which was granted to CIVH to fund the Vumatel acquisition. CIVH has since settled the loan and Remgro had no exposure on 30 June 2022 (30 June 2021: R3 594 million).

11. 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).

11. Fair value remeasurements (continued)

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
30 June 2022				
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
30 June 2021				
Assets				
Non-current assets				
Financial assets at FVOCI	11 933	3	2 406	14 342
Financial assets at FVPL	–	–	214	214
Current assets				
Financial assets at FVPL	–	83	–	83
Investment in money market funds	5 010	–	–	5 010
	16 943	86	2 620	19 649
Liabilities				
Current instruments at FVPL	–	471	–	471

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 2021	2 406	214	2 620
Additions	243	–	243
Disposals	(258)	–	(258)
Exchange rate adjustment	176	28	204
Fair value adjustments through other comprehensive income	(165)	–	(165)
Balances at 30 June 2022	2 402	242	2 644

Level 3 financial assets consist mainly of investments in the Milestone China entities (Milestone) and PRIF amounting to R835 million (2021: R1 273 million) and R615 million (2021: R368 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 (27%), cash and cash equivalents (1%) and unlisted investments (72%) (2021: 33%, 5% and 62%, respectively). Unlisted investments included at transaction prices in Milestone's fair value amounted to R217 million (2021: R649 million), while its remaining unlisted investment was valued at R376 million (2021: R140 million). PRIF's main assets are the investments in ETG Group, Lumos Global, Solar Saver, Icolo, Zimborders, GridX and Medallion. ETG Group was valued using a market-based approach, specifically the comparable company method (Enterprise value/EBITDA), while the other investments were valued using the discounted cash flow method.

The investments in LifeQ, Bolt and Asia Partners (a diversified investment vehicle) were valued at R240 million, R210 million and R398 million, respectively, at 30 June 2022 (2021: R186 million, R336 million and R152 million).

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

12. Segment revenue

R million	Year ended 30 June	
	2022	2021
Consumer products		
Distell	34 134	28 254
RCL Foods	34 744	31 536
Siqalo Foods	3 546	3 088
Industrial		
Wispeco	3 598	2 925
Other	74	–
Total revenue	76 096	65 803

Disaggregated revenue information

R million	Year ended 30 June	
	2022	2021
Distell		
Spirits	13 680	11 127
Wine	7 422	6 880
Cider and ready-to-drinks	13 012	10 223
Other	20	24
	34 134	28 254
RCL Foods⁽¹⁾		
Food Division	21 221	19 769
Groceries	6 006	5 522
Baking	6 214	5 849
Sugar	9 001	8 398
Rainbow	11 385	10 336
Vector Logistics	3 692	3 154
Sales between RCL Foods' business units	(1 581)	(1 766)
Group	190	195
	34 907	31 688
Siqalo Foods		
Spreads	3 546	3 088
Wispeco		
Extrusions and related products	3 050	2 545
Other	548	380
	3 598	2 925
Other	74	–
Elimination of intersegment revenue	(163)	(152)
Total revenue	76 096	65 803

⁽¹⁾ RCL Foods performed a strategic review of its portfolio. It resulted in Rainbow being established as a separate division while Groceries, Baking and Sugar were grouped as the Food Division.

13. Related party transactions

Mediclinic International plc (Mediclinic)

On 4 August 2022 the boards of Manta Bidco Limited (Bidco), MSC Mediterranean Shipping Company SA (MSC), Remgro and Mediclinic announced that they have reached agreement on the terms of a recommended cash offer by Bidco 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%). Bidco is a newly formed company, which is jointly owned by Remgro and MSC.

In terms of the Acquisition, Mediclinic shareholders will receive 504 pence per Mediclinic share (the offer price). The offer price represents a premium of 35% to the Mediclinic share price on 25 May 2022 of 373 pence, the day prior to the initial offer. Bidco reserves the right to reduce the offer price by future Mediclinic dividends (including the 3 pence per Mediclinic share declared by Mediclinic on 25 May 2022, payable on 26 August 2022), distributions or other returns of value in instances where current Mediclinic shareholders retain the right to such dividends, distributions or other returns of value declared, made or paid.

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. Bidco's issued share capital will be held equally by Remgro and MSC. Remgro currently accounts for its investment in Mediclinic as an equity accounted investment and, following the completion of the Acquisition, Remgro will also account for its 50% interest in Bidco (being an indirect 50.0% interest in Mediclinic) as an equity accounted investment. The Acquisition is still subject to various conditions precedent.

Rand Merchant Investment Holdings Limited (RMI)

On 20 September 2021, RMI announced its decision to restructure its investment portfolio by the distribution of all the shares held by it in its two life insurance-focused assets, Discovery Limited (Discovery) and Momentum Metropolitan Holdings Limited (Momentum Metropolitan) (the RMI Unbundling), and on 8 December 2021, RMI also announced the disposal of its 30% stake in Hastings Group Holdings plc (Hastings) for R14.6 billion.

The RMI Unbundling was completed during April 2022 and Remgro received 51 254 365 Discovery shares (7.7% interest), in the ratio of 10.91799 Discovery shares for every 100 RMI shares held, and 122 908 061 Momentum Metropolitan shares (8.6% interest), in the ratio of 26.18136 Momentum Metropolitan shares for every 100 RMI shares held. The market values of these investments at that time amounted to R8 561 million and R2 056 million, respectively, and both the investments were classified as financial instruments at fair value through other comprehensive income. In future only dividend income will be accounted for these investments in the income statement.

Following the RMI Unbundling and the Hastings disposal, RMI's remaining assets consisted mainly of its 89.1% investment in OUTsurance Holdings Limited.

Distell Group Holdings Limited (Distell)

On 15 November 2021, Distell and Heineken International B.V. (Heineken) announced their intention to combine the 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. The proposed transaction was approved by the Distell shareholders on 15 February 2022. During September 2022, the Namibian Competition Commission approved the transaction with conditions and the Competition Commission of South Africa recommended it to the Competition Tribunal with various conditions attached. Once all the regulatory approvals have been obtained, shareholders will still be required to make an election.

Remgro intends to elect to receive Newco shares for its Distell shares and is accordingly expected to be a significant shareholder in Newco. Furthermore, Remgro does not intend to 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.

Community Investment Ventures Holdings Proprietary Limited (CIVH)

During July 2021, Remgro subscribed for 67 364 shares in CIVH for a total amount of R2 124 million in terms of a rights issue. The proceeds of the rights issue was used to reduce the CIVH group's debt and to facilitate further growth. This share subscription and a share repurchase to exit one of the minorities during the year increased Remgro's interest in CIVH from 55.2% at 30 June 2021 to 57.0% at 30 June 2022.

On 10 November 2021, Remgro advised its shareholders that CIVH and Vodacom Proprietary Limited (Vodacom) reached an agreement in terms of which 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 Infraco), which 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 Shipping Holdings Limited (Grindrod Shipping)

On 25 November 2021, Remgro agreed to dispose of its investment in Grindrod Shipping (included under the Infrastructure platform under Other infrastructure investments) and the investment, which was previously classified as an equity accounted investment, was reclassified as a non-current asset held for sale. The transaction was concluded during January 2022 and Remgro sold its 4 329 580 Grindrod Shipping shares for a gross consideration of R1 191 million.

Invenfin Proprietary Limited (Invenfin) (a wholly owned subsidiary of Remgro)

During October 2021, Invenfin Investments 2 Proprietary Limited (an 88.7% held subsidiary of Invenfin) entered into an agreement for the disposal of its full 50.5% interest in Ad Dynamo Proprietary Limited (Ad Dynamo). The total disposal consideration amounted to R245 million. As one of Africa's largest digital media sales houses, Ad Dynamo partners exclusively with a number of leading global digital platforms to drive their revenue growth in Africa.

Other

For other related party transactions refer to note 5 and 10.



14. Events after year-end

Grindrod Limited (Grindrod)

On 26 September 2022 Remgro approved the unbundling of its investment in Grindrod to its shareholders as a dividend *in specie* in terms of Section 46 of the Income Tax Act, in the ratio of 30.70841 Grindrod shares for every 100 Remgro shares held. The expected distribution date is 17 October 2022.

Other than the above-mentioned events, there were no other significant events subsequent to 30 June 2022.

ANNEXURE A

Segment report for the year ended 30 June 2022

R million	Year ended	30 June 2022		Year ended	30 June 2021	
	30 June 2022	Net assets		30 June 2021	Net assets	
	Headline earnings ⁽¹⁾	Book value ⁽²⁾	Intrinsic value	Headline earnings ⁽¹⁾	Book value ⁽²⁾	Intrinsic value
Healthcare						
Mediclinic	1 267	26 681	29 568	674	24 581	19 358
Consumer products						
Distell – entity contribution	735	8 386	11 969	538	7 578	11 665
– IFRS 3 charge ⁽³⁾	(11)	–	–	(47)	–	–
RCL Foods	846	8 816	7 355	759	8 262	6 926
Siqalo Foods – entity contribution	401	6 261	6 345	405	6 226	7 277
– IFRS 3 charge ⁽³⁾	(65)	–	–	(79)	–	–
Financial services						
RMI	796	5 307	13 069	898	10 174	14 713
Business Partners	70	1 193	1 193	23	1 273	1 273
Infrastructure						
CIVH	47	6 905	13 756	(435)	4 981	12 054
Grindrod	263	1 559	1 559	16	842	842
SEACOM	37	40	776	26	23	799
Other infrastructure investments	266	67	67	17	701	701
Industrial						
Air Products	422	1 162	4 690	322	1 063	4 523
TotalEnergies	1 076	3 158	3 274	366	2 242	2 539
Wispeco	281	1 448	1 402	264	1 229	1 188
Other industrial investments	21	189	379	62	198	415
Diversified investment vehicles						
KTH	80	1 497	2 145	(182)	1 456	2 044
Prescient China Equity Fund	–	1 189	1 189	–	1 211	1 211
Milestone III	–	792	792	–	1 234	1 234
Other diversified investment vehicles	15	1 876	2 122	(78)	1 449	1 567
Media						
eMedia Investments	145	856	738	43	815	616
Other media investments	33	111	150	10	3	137
Portfolio investments						
FirstRand	389	7 141	7 141	191	7 659	7 659
Discovery	–	5 410	5 410	–	–	–
Momentum Metropolitan	–	1 439	1 439	–	–	–
Other portfolio investments	55	809	809	56	661	661
Social impact investments	(20)	132	132	(66)	135	135
Central treasury						
Finance income/cash at the centre	224	12 280	12 280	212	9 706	9 706
Finance costs/debt at the centre	(627)	(7 838)	(7 838)	(861)	(7 821)	(7 821)
Other net corporate costs/assets	(252)	1 577	2 221	(249)	2 178	2 919
	6 494	98 443	124 132	2 885	88 059	104 341
Potential CGT liability			(3 930)			(4 150)
Total	6 494	98 443	120 202	2 885	88 059	100 191

Additional segmental information is disclosed in note 2 and 12.1 in the Annual Financial Statements that is published on the Company's website at www.remgro.com.

⁽¹⁾ Refer to note 2 for the calculation of headline earnings.

⁽²⁾ Total book value equals shareholders' equity.

⁽³⁾ 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.

