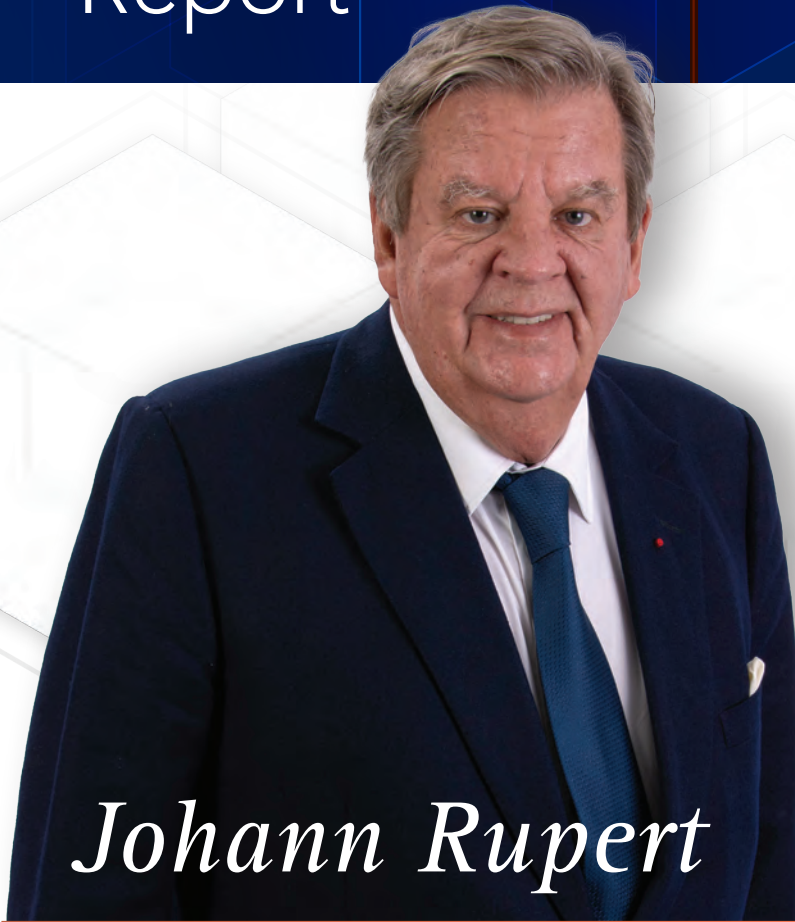


CHAIRMAN'S Report



Johann Rupert

Introduction

We are living through a globally turbulent period. In reflecting on this past year, it would be remiss of me not to acknowledge the global turbulence's exacerbation of the challenges still faced by our and other businesses, both large and small, in South Africa. The macro challenges are unrelenting and stubborn inflation has forced Central Banks to continue to hike rates. This has had a direct impact on already constrained consumers. There are also other contributing factors to the challenging economic landscape: the lingering impact of the Covid-19 pandemic on the global economy, most notably in China, combined with the ongoing Russia-Ukraine War; global food insecurity; a depressed local economy; inflationary woes; policy uncertainty; market volatility; South Africa's Greylisting by the Financial Action Task Force; and the energy crisis. This is however not the first time our Group has had to operate during turbulent periods.

Throughout the Group's history, in navigating through turbulent periods, we've had to meet the challenges before us and embrace uncertainty. It is this attitude, grounded in our Group's culture, that's enabled us to consistently create sustainable long-term value for our shareholders.

The long-term success of any business lies in its ability to adapt and seize the opportunities that present themselves in an ever-changing environment. While today's challenges may differ from those we've faced in the past Remgro continues to adapt to an evolving society; and we utilise the many insights learned from doing business in the South African context for over seven decades. Our success lies in our unwavering commitment to being the trusted investment company of choice, that consistently creates sustainable long-term stakeholder value.

I am pleased that the Group has delivered another resilient set of results, which is informed by our investment philosophy, investment criteria, and investment strategy. I remain optimistic about the prospects of our portfolio. Importantly, we as a Group remain focused on managing those factors that we can control while keeping our eyes on new opportunities.

I would like to highlight two corporate actions which have materially contributed to shifting the weighting of the value of our unlisted portfolio to approximately 70% from 30% in June 2022.

These two corporate actions are:

- Remgro and MSC Mediterranean Shipping Company SA's (the Consortium) acquisition of the entire issued ordinary share capital of Mediclinic Group Limited (Mediclinic), other than the Mediclinic shares Remgro already owned (June 2023). Remgro invested a further £221 million and increased its interest in Mediclinic from 44.6% to 50.0% (the Mediclinic acquisition). This transaction aligns with the Consortium's long-term investment horizon and combined expertise with Mediclinic's growth and expansion plans and provides Remgro shareholders with a unique access point into the unlisted entity; and
- 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 Group Holdings Limited (Distell) business (consisting of its cider, other RTDs (ready-to-drink) and spirits and wine business) in Heineken Beverages Holdings Limited during April 2023. Distell simultaneously unbundled its subsidiary, Capevin Holdings Proprietary Limited (Capevin), which held Distell's remaining assets, including its Scotch whisky business, and Remgro received an economic interest of 31.4% in Capevin (the Distell/Heineken transaction). This transaction contributed to creating a world-class, Southern-African focused beverage entity and unlocked significant value for Distell shareholders.

Financial performance

For the year under review, headline earnings increased by 8.7% from R6 494 million to R7 056 million, while headline earnings per share (HEPS) increased by 8.9% from 1 151 cents to 1 254 cents. The uplift of 29bps in the HEPS measure compared to headline earnings, represents the accretive impact of shares repurchased during the year under review.

The increase of 8.7% in headline earnings is mainly due to higher contributions from OUTsurance Group Limited's (OUTsurance Group) continuing operations, Mediclinic, the Pembani Remgro Infrastructure Fund, Kagiso Tiso Holdings Proprietary Limited and FirstRand Limited, as well as higher interest income and a foreign exchange gain realised on foreign exchange contracts entered in respect of the acquisition of an additional 5.4% indirect interest in Mediclinic. The increase is partly offset by lower contributions from TotalEnergies Marketing South Africa Proprietary Limited, RCL Foods Limited and Grindrod Limited (Grindrod) (due to its unbundling), as well as transaction costs relating to the Mediclinic acquisition and the Distell/Heineken transaction. In addition, the comparative year also included the contributions of Grindrod Shipping Holdings Limited (Grindrod Shipping) (which was disposed of) and the discontinued operations of OUTsurance Group (OUTsurance Group unbundled its investments in Discovery Limited and Momentum Metropolitan Holdings Limited, as well as disposed of its investment in Hastings Group Holdings plc).

Various corporate actions impacted the comparability of Remgro's headline earnings over the past two years. These corporate actions include *inter alia*:

- The discontinued operations of OUTsurance Group (comparative year);
- The disposal of Grindrod Shipping (comparative year);
- The unbundling of Grindrod (October 2022);
- The foreign exchange gain and transaction costs relating to the Mediclinic acquisition (June 2023); and
- The transaction costs relating to the Distell/Heineken transaction (April 2023).

Excluding the impact on headline earnings of these corporate actions, the headline earnings increased by approximately 27% reflecting a resilient underlying performance of Remgro's portfolio, thus maintaining positive earnings momentum despite a challenging business environment.

Dividend

The Board has approved a final dividend of 160 cents (2022: 100 cents) per share. The total ordinary dividends per share in respect of the year to 30 June 2023 thus amounted to 240 cents (2022: 150 cents).

Corporate governance and sustainability

Our purpose, "to shape the future and partner for South Africa's prosperity" is central in realising on our ambition of delivering financial returns for shareholders, while investing in a more sustainable future for South Africa that unlocks long-term stakeholder value.

Our sustainability strategy underlines the need to help catalyse inclusive socio-economic development and growth. It also underlies our commitment towards making a meaningful difference, through the various social corporate investment initiatives we support, in our communities.

In line with our corporate citizenship mandate, the initiatives we support are based on long-standing partnerships to create opportunities for community and enterprise development, along with cultural, sporting, and educational opportunities.

Further details of our progress in this regard can be found in the ESG and Sustainability Report, which is available on the Company's website at www.remgro.com.

We also note that the Board of Directors is ultimately accountable for the performance of the Company, appreciating that strategy, risk, performance, and sustainability are inseparable.

Our governance framework is based on the principles contained in the King IV Report on Corporate Governance for South Africa (2016) and we are satisfied that the Company has applied those principles during the year under review. Our Remgro Board members possess the requisite collective skills, experience, and diversity, to carry out their responsibilities to achieve the Group's objectives and create sustainable stakeholder value over the long term.

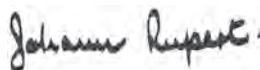
Change to the directorate

We are delighted to welcome Dr Thabi Leoka as an independent non-executive director of Remgro, effective 22 March 2023. Dr Leoka has considerable experience in the areas of finance, and a passion for emerging markets and African economies. She obtained her PhD and MSc in Economics from the London School of Economics, holds an MA in Economic Development and International Trade and a BA in Social Science, both from Witwatersrand University.

Dr Leoka has already provided valuable insights and input during her short tenure, and we look forward to her continued contribution to Remgro while serving on the Board.

In closing

I would like to thank all our stakeholders for their continued support. I would also like to thank the Board, and our employees at the centre and across our investee companies that have enabled another year with positive momentum. With our proven investment philosophy, strategic vision, and resilient portfolio of assets, I remain confident in our ability to drive strong shareholder returns, and to continue to create sustainable long-term stakeholder value.



Johann Rupert
Chairman

Stellenbosch
20 September 2023