Chief Executive Officer's Report

Partnering to reignite growth

Remgro's **improved** results are evidence of good traction across key strategic initiatives, strong partnerships and **teamwork** across our business and the proven **resilience** of our portfolio in the face of continued economic instability.

Jannie Durand

In thinking about the results for the year ended 30 June 2025, we need to look at the past five years; our journey to optimise our portfolio and reposition our investment thesis to make Remgro a more desirable proposition for investors. This path was far from straightforward, and we had to navigate a series of unforeseen external disruptions along the way. These unforeseen external disruptions notwithstanding, the driving ambition of the process was our steadfast belief that we own quality assets. Over time we were able to establish a portfolio of substantially unique and desirable exposures that cannot be replicated by assembling a portfolio that is unique and only available through Remgro.

At the end of May 2020, the majority (77%) of the Remgro portfolio was JSE-listed and this process of repositioning the portfolio was meaningfully catalysed during June 2020 through the distribution of our indirect exposure to FirstRand Limited (FirstRand), held through RMB Holdings Limited (RMH).

This process was followed by a number of corporate activities, such as the collapsing of RMI Holdings Limited, which housed our insurance interests in April 2022; the follow-on value unlock through the listing of OUTsurance Group Limited; the disposal of our interest in Grindrod Shipping Holdings Limited and the distribution of our interest in Grindrod Limited in October 2022; the merger of our interest in Distell Group Holdings Limited and the concurrent take-private of the merged entity by Heineken International B.V. We delisted Mediclinic International plc, in partnership with Mediterranean Shipping Company SA (MSC), in June 2023, the divestment from Momentum Metropolitan Holdings Limited in June 2024 and the sell-down over time of a large proportion of our residual interest in FirstRand.

Reflecting on the results of all these efforts, whilst our share price has increased by 51% when measured from the date of the distribution of our RMH interest, this is a flattering perspective given where our initial starting point was: in the middle of the Covid-19 global pandemic period when share prices were depressed. It is fair to say that the last five years have been a 'noisy' and somewhat disrupted period over which to assess the result of our portfolio's repositioning. The Covid-19 pandemic certainly contributed to this 'noise' and so did the impact of the various corporate actions, transaction costs, and the lack of comparability between periods. Challenges in the broader operating environment included geopolitical tensions, supply chain challenges, changes in political leadership, energy crisis, constrained economic growth, stubbornly high inflation, restrictive interest rates, and unparalleled global trade uncertainties.

However, far more troubling than these external factors, was the presence of performance challenges that emerged in some of our core holdings; across the healthcare, consumer, and infrastructure portfolios. This was exacerbated by the uncertainty relating to the successful conclusion of certain corporate actions due to regulatory delays, notably the proposed merger of the fibre assets of Community Investment Ventures Holdings Proprietary Limited (CIVH) with those of Vodacom Proprietary Limited (Vodacom), which contributed to a conservative capital allocation posture at the centre. All these factors resulted in a persistent divergence between our share price and our internal view of the underlying value of our portfolio, which can easily detract from the gains that have been made in delivering on our strategy.

It is within the context of this uniquely challenging environment that I am proud of the transformation in our business and the portfolio. We have successfully executed on our strategy to optimise and reposition our portfolio and, through embedding these transformative actions, laid the foundation for unlocking sustainable shareholder value.

I am particularly pleased with the strong results we have delivered for the year under review. More than 80% of Remgro's portfolio achieved an improvement in headline earnings, culminating in a 39% overall increase in headline earnings, as well as a strong increase in cash earnings at the centre.

I am equally pleased with the qualitative progress that has been achieved against our streamlined strategic priorities which I communicated when we reported our interim results earlier this year, and I believe that a more focused Remgro investment thesis is starting to emerge from these results.

I want to highlight a few areas of progress that are noteworthy:

Active portfolio optimisation...

- Last year you would have noted that we shifted the emphasis from having a traditionally decentralised style of managing the portfolio, to a more actively engaged posture. We enabled this further during the year, through a restructuring of the investment team and in sharpening our performance measurement processes and accountabilities, within the different parts of the team. We're very encouraged about the energy that's been unlocked through this. We also believe that we are better able to partner with our management teams in delivering results across the portfolio.
- Turning to performance initiatives within our investment portfolio, the management team at Mediclinic Group Limited (Mediclinic) has undertaken deliberate interventions to ensure that the business is resilient and sustainable in what remains a very difficult and fluid healthcare environment. These actions included a refresh of the operating model across the Mediclinic group, and the implementation of a turnaround plan in underperforming regions, with deliberate actions taken to rationalise facilities with unproven viability. We believe these are important steps towards ensuring sustained profitability, whilst simultaneously delivering market-leading clinical care in a fluid landscape.
- 2025 was also the first year where we saw RCL Foods Limited (RCL Foods) and Rainbow Chicken Limited (Rainbow) operate as fully independent businesses. Rainbow's ongoing turnaround journey, under the leadership of Marthinus Stander and his team, has seen the business transform from a market laggard to a market leader, and we are inspired by what that team has achieved over the last four years. Similarly, RCL Foods is delivering very pleasingly against its strategy of repositioning the business with its portfolio of market-leading brands at the core. This year saw the inevitable normalisation of returns through the cycle from its market-leading Sugar business, but this was more than offset by the improved contribution from its Grocery and Baking businesses and much of that was through hard-won operational improvements, rather than tailwinds in the market.
- The prohibition by The Competition Tribunal of the proposed combination of Maziv Proprietary Limited (Maziv) with Vodacom's fibre assets, was a distinct lowlight of the year. However, the persistence of the CIVH team, under the leadership of its chairman, Mr Pieter Uys, was a masterclass in grit and determination. The team had unwavering conviction about the benefits of this transaction – not only to the merging parties – but more importantly to the South African consumer and we were delighted that the team could ultimately reach agreement with The Competition Commission regarding a set of revised merger conditions that allowed The Competition Commission to support the transaction; when it was heard at The Competition Appeals Court (CAC) during July 2025. On the 14th of August 2025 The CAC reversed the Tribunal ruling and approved the merger subject to the revised merger conditions proposed by the parties. The month of August also happens to mark the retirement of Mr Pieter Uys. His contribution and dedication on this transaction has been an example and inspiration to all of us.

Considered capital allocation...

- From a capital allocation perspective, this financial year did not involve aggressive capital deployment into new opportunities and our focus remained on generating improved returns from our existing portfolio. We were however pleased to have fully settled the outstanding borrowings, which was achieved through further well-timed monetisation of FirstRand shares. We believe that the deleveraging of the balance sheet significantly contributes towards the simplification of our portfolio, and in the refocusing of resources around our core portfolio.

Lead sustainable businesses...

- This year we took deliberate steps to progress our Environmental, Social and Governance (ESG) journey through constant engagement with our investee companies to improve alignment around agreed goals and objectives across the Remgro Group. Through this effort, we have settled on a set of ESG indicators that will support the tracking and measurement of progress and improve our disclosure; and
- Within the context of our ESG journey and disclosure, an objective I've articulated to you in recent presentations, has been a commitment to improve stakeholder engagement and shareholder transparency. Pursuant to this objective, I'm pleased with the engagement we were able to have with investors at our two-day Capital Markets Day in April 2025. The two days were attended by more than 200 investors, and we were able to share detail not only on Remgro's strategy, but also those of two of our largest non-listed investments, namely: Mediclinic and CIVH. We will continue with initiatives such as this, as well as with our Governance Roadshow which has now become an annual fixture in our investor calendar, to engage with the investor community and facilitate constructive two-way conversations.

While progress has been made, further work is needed. Below are two examples:

- One of the key strategic objectives we've articulated to you as shareholders, is our ambition to simplify the portfolio and reduce the tail of smaller investments. While we are pleased to have made some progress on this front, including initiating a process of divesting from eMedia Investments Proprietary Limited (eMedia Investments), there were also a few initiatives that we were not able to convert into tangible results this year. That said, we will continue our efforts in reducing the number of smaller investments, in a responsible way, that are unlikely to contribute meaningfully to the Remgro investment thesis.
- Secondly, there are performance challenges that remain in areas of the portfolio. I've noted positive traction in Mediclinic, amidst a very challenging environment, and good progress in Maziv concerning the improvement of our network quality and customer service levels, notably in Dark Fibre Africa Proprietary Limited (DFA). However, our investment in Heineken Beverages Holdings Limited is not yet delivering to a satisfactory level on the thesis we had set out to achieve with the creation of this multi-category beverage champion. We continue to work very closely with our shareholder partners and with the management team in unlocking the prospects of that business, with positive results already evident in some parts.

Significant investment activities

RCL Foods: Separation of Rainbow

On 3 June 2024, the RCL Foods board approved the formal separation of its poultry operation via a listing of the ordinary shares of Rainbow on the Main Board of the JSE and a *pro rata* distribution *in specie* of the Rainbow shares to shareholders. The effective date of the unbundling was 1 July 2024 and Remgro received 714 057 943 Rainbow shares, in the ratio of one Rainbow share for every one RCL Foods share held. Remgro's shareholding in Rainbow mirrored the shareholding that was held in RCL Foods at that time, being an interest of 80.2%.

FirstRand

During November 2022 and March 2023 Remgro entered a series of options (narrow zero cost collars with two-year terms) to hedge the value of 60 000 000 of its FirstRand shares. The 60 000 000 FirstRand shares were hedged on a 1:1 basis and Remgro was entitled to dividends declared at pre-contracted levels.

These FirstRand shares with call strike prices of R77.96 (November 2022 options) and R76.40 (March 2023 options) per FirstRand share became exercisable during the year under review. Upon expiring of the hedges, Remgro decided to retain those FirstRand shares where the FirstRand share price was below the call strike price, while selling those shares where the FirstRand share price was above the call strike price to net settle the option liabilities. Consequently, Remgro disposed of 21 000 000 FirstRand shares for a total amount of R1 637 million (or R77.96 per share) and retained 39 000 000 FirstRand shares.

During the year under review, Remgro also disposed of 10 283 261 FirstRand shares in the open market for a total amount of R868 million (or R84.42 per share). As a result of these disposals, Remgro's interest in FirstRand decreased from 2.2% at 30 June 2024 to 1.6% at 30 June 2025.

eMedia Investments

On 27 June 2025, Remgro announced the terms of a proposed series of transactions agreed between eMedia Holdings Limited (EMH), eMedia Investments and Remgro (Proposed Transaction). The Proposed Transaction entails the following:

- Remgro subscribes for 18 310 630 EMH N shares at a subscription price of R3.25 per EMH N share for a total purchase consideration of R60 million.
- Remgro disposes of its investment in eMedia Investments (being 17 730 595 eMedia Investments shares or a 32.31% stake in eMedia Investments) to EMH in exchange for 220 162 315 EMH N shares.
- Remgro unbundles its newly acquired investment in EMH to its shareholders as a dividend *in specie*, in an expected ratio of 41.96 EMH N shares for every 100 Remgro shares held.

The expected distribution date is 29 September 2025.

CIVH

It was previously reported that Vodacom and CIVH entered into transaction agreements whereby Vodacom would, through a combination of assets of approximately R4.2 billion and cash of at least R6.0 billion, acquire a minimum of 30%, with the option to acquire from CIVH a further 10%, of the ordinary shares of Maziv, a wholly owned subsidiary of CIVH. Maziv holds *inter alia* the interests in Vumatel Proprietary Limited (Vumatel) and DFA. The terms were subject to ongoing negotiation between the parties to extend the longstop date and allow more time for the regulatory approval to be obtained. During July 2025, the parties have agreed to certain amendments to the transaction agreements. The material amendments are that Vodacom will acquire 30% of the ordinary shares of Maziv, through a combination of assets of R4.9 billion and cash of R6.1 billion, with a further option to acquire top up shares up to 34.95% of Maziv indirectly from Remgro (through CIVH). The transaction value has also been agreed and makes provision for agreed leakages and new assets acquired by Maziv in exchange for the issue of shares between 1 April 2025 and five business days before the transaction implementation date. 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. However, Remgro will also obtain an indirect interest in the assets contributed by Vodacom.

It was also previously reported that The Competition Tribunal prohibited the proposed transaction during October 2024 and that the transaction parties lodged a notice of appeal with The CAC who set down dates for the hearing from the 22nd to the 24th of July 2025. Maziv and Vodacom subsequently reached an agreement with The Competition Commission on revised conditions, resulting in the appeal proceeding on an unopposed basis on the 22nd of July 2025. During August 2025, The CAC ruled to set aside the order of The Competition Tribunal to prohibit the merger and that the transaction be approved subject to the conditions proposed by the merger parties. The transaction is still subject to approval by the Independent Communications Authority of South Africa (ICASA). Remgro and CIVH firmly believe that the proposed transaction will deliver significant benefits to South African consumers and the broader economy. These include the very real and tangible positive social impacts relating to critical issues such as the democratisation of the internet in lower income areas, greater access to cheaper fibre to the broader South Africa, as well as the potential for job creation, and ultimately growth of the economy.

The following tables represent the cash effects of Remgro's investment activities for the year to 30 June 2025. These activities exclude the investing activities of Remgro's operating subsidiaries, i.e. RCL Foods, Rainbow, Siqalo Foods Proprietary Limited, Wispeco Holdings Proprietary Limited and Capevin Holdings Proprietary Limited.

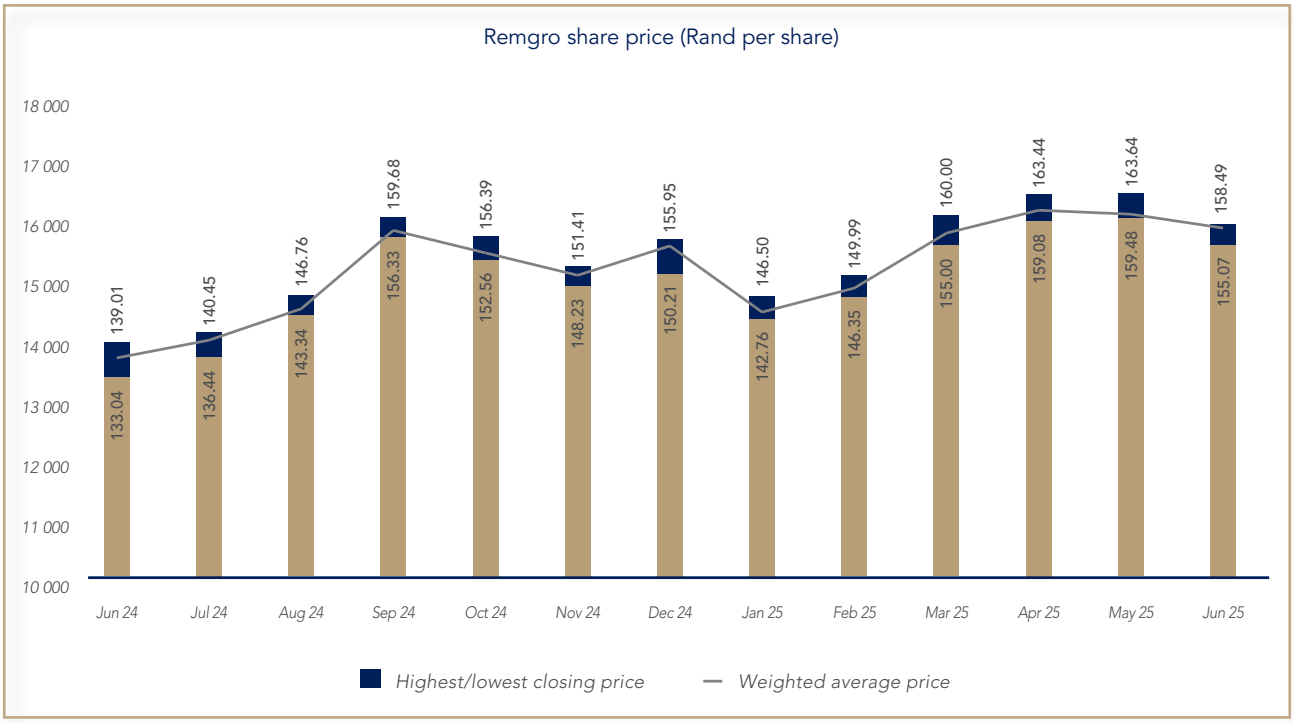
Investments made and loans granted	R million
Asia Partners (offshore)	**156**
Invenfin Proprietary Limited (Invenfin)	**34**
Pembani Remgro Infrastructure Funds	**218**
Other	**52**
	460

Investments sold and loans repaid	R million
FirstRand	**2 505**
Invenfin	**43**
Other	**13**
	2 561

Investment commitments

The table below summarises the investment commitments of Remgro as at 30 June 2025.

Investment commitments	R million
Pembani Remgro Infrastructure Funds	**1 222**
Asia Partners (offshore)	**565**
Other	**37**
	1 824



Intrinsic net asset value

This section serves to provide insight into Remgro's valuation methodology and the integrity thereof; to assist stakeholders in understanding Remgro's intrinsic net asset value, which we believe remains the most appropriate indicator of the value of the underlying portfolio.

Remgro's intrinsic net asset value per share increased by 16.5% from R251.01 at 30 June 2024 to R292.34 at 30 June 2025. The closing share price at 30 June 2025 was R158.20 (2024: R136.09), representing a discount of 45.9% (2024: 45.8%) to the intrinsic net asset value. As at 30 June 2025, 60% of the value of Remgro's investment portfolio was represented by unlisted investments (2024: 66%). It is worth noting that prior to the recently completed corporate transactions relating to Remgro's investments in Mediclinic and Distell, as well as the unbundling of Remgro's interest in RMH on 8 June 2020, 23% of the value of Remgro's investment portfolio was represented by unlisted investments, with the share price trading at a discount to intrinsic net asset value of less than 30%. The widening of the discount underlines the importance of demonstrating the veracity of the valuations in a portfolio that has pivoted towards more unlisted investments.

The intrinsic net asset value of the Group includes valuations of all investments; incorporating subsidiaries, associates, and joint ventures, either at listed market value or, in the case of unlisted investments, other inputs for the assets that are not based on observable market data.

Guidance in completing the valuations is obtained from *IFRS 13: Fair Value Measurement*, where fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. A fair value measurement assumes that a hypothetical transaction to sell an asset takes place in the principal market or, in its absence, the most advantageous market for the asset.

The values derived from the valuation exercise performed at measurement date fall within the *IFRS 13* framework which requires, in the context of discounted cash flow valuations, the equity beta, capital structure, and cost of debt be determined based on information obtained for similar assets or market participants; after certain adjustments are made. This impacts the weighted average cost of capital (WACC) used when discounting the cash flows for purposes of the *IFRS 13* valuation and is expected to be different from those applied in a transactional valuation approach, as the target or actual inputs are replaced with inputs derived from considering the position of hypothetical market participants. Consequently, a valuation derived by applying the *IFRS 13* framework is expected to differ from a transactional valuation.

In ensuring the veracity of Remgro's intrinsic net asset valuations, the Valuation Committee assists the Audit and Risk Committee to:

- gain assurance on the valuations of Remgro's unlisted investments and the internal valuations of Remgro's material listed investments; and
- recommend the valuations of Remgro's unlisted investments and the internal valuations of Remgro's material listed investments to the Remgro Board.

The Valuation Committee is chaired by an independent non-executive director and consists of five non-executive directors (being the three members of the Audit and Risk Committee and two directors who serve on the Investment Committee), the Chief Executive Officer, the Chief Investment Officer and the Chief Financial Officer. This function has become increasingly important as Remgro's portfolio has evolved towards more unlisted investments.

It is worth noting that due to the significant contribution of the investment in Mediclinic to Remgro's INAV, Remgro again engaged the services of an independent expert to perform the valuation of its investment in Mediclinic. The valuation methodology used for the Mediclinic investment was the sum-of-the-parts methodology, which was underpinned by the discounted cash flows of the underlying businesses.

Relative performance of intrinsic net asset value and Remgro internal rate of return (IRR)

The following table compares Remgro's IRR with that of certain selected JSE indices. For this purpose, it has been assumed that dividends, which include unbundlings such as Remgro's interest in RMH, have been reinvested in either Remgro shares or in the particular index, depending on the specific calculation.

	One year 30 June 2025 (% year on year)	Three years 30 June 2025 (% compounded per annum)	Period from 28 October 2008[1] to 30 June 2025 (% compounded per annum)
JSE – All Share Index	**25.2**	**17.8**	**14.0**
– Capped Swix All Share Index	**24.6**	**15.8**	**n/a[2]**
– Fin & Ind 30 Index	**25.6**	**22.2**	**15.8**
– Financial 15 Index	**18.5**	**19.5**	**13.3**
– Healthcare	**17.6**	**10.4**	**14.0**
Remgro share price	**18.4**	**9.3**	**10.7**
Intrinsic net asset value	**18.7**	**13.8**	**12.7**

(1) *BAT unbundling.*
(2) *Capped Swix not available.*

Looking ahead...

It has now been five years since we set out on a path to simplify, optimise, and focus our portfolio. We have executed on this strategy with determination, and we have taken bold decisions along the way. The results of this execution are reflected in our improved performance, a portfolio that is more streamlined, robustly capitalised, scarcer and better positioned for growth. As we continue to embed this transformation and focus on driving growth through partnerships across the portfolio, we are confident that we will unlock further value for shareholders.

Looking at the year ahead, I am excited to continue building on the progress of the current year; notably in driving returns through focused execution from our portfolio of quality assets. I am also excited about continuing our path of sharpening and simplifying the Remgro portfolio, as well as seeking out capital allocation opportunities that will create sustainable returns for our shareholders alongside further developing our sustainability targets across the Group.

In last year's report, I reflected on the resilience of our portfolio as being what informs our confidence in our *tomorrow*, despite the headwinds we faced. As we now look ahead to yet another year, we retain that same confidence in our ability to effectively respond to a changing environment and remain true to our vision of creating sustainable long-term value for our shareholders. At our recent Capital Markets Day, we articulated this challenge in three words: *"Partner. Reignite. Grow."*

In thinking about this challenge, I'm pleased to have strong partnerships to leverage; notably in my colleagues at Remgro, our shareholder partners across the portfolio, our executive management teams and – increasingly also – working alongside other businesses in our private sector partnership with government to help further unlock the potential of this incredible country.

We are not naïve about the magnitude of some of the challenges that we continue to face, not least those that relate to the scourge of unemployment and persistently high levels of crime and corruption. There are also new challenges that are emerging from a fluid geopolitical backdrop and a complex international trade landscape. These challenges will test our resilience and require creative solutions, teamwork and a can-do mindset, but these are qualities that South Africans possess in spades. I remain confident that Remgro's motto of 'realistic optimism' will be impactful and guide us towards making a positive contribution for the benefit of our shareholders and the wider community within which we operate.

Jannie Durand
Chief Executive Officer

Stellenbosch
22 September 2025

Remgro's unlisted investments were valued as follows:

Investment	Principal valuation methodology
Mediclinic	Discounted cash flow method (external valuation)
CIVH	Discounted cash flow method
Heineken Beverages	Discounted cash flow method
Siqalo Foods	Discounted cash flow method
Air Products	Discounted cash flow method
TotalEnergies	Discounted cash flow method
KTH	Sum-of-the-parts (external valuation)
Capevin	Discounted cash flow method
Wispeco	Discounted cash flow method
Business Partners	Net asset value
Prescient China Equity Fund	Net asset value
SEACOM	Discounted cash flow method
eMedia Investments	Comparable market price
Asia Partners (Fund I & II)	Net asset value
PRIF (Fund I & II)	Net asset value

Intrinsic net asset value

R million	30 June 2025 Book value	30 June 2025 Intrinsic value[1]	30 June 2024 Book value Restated[2]	30 June 2024 Intrinsic value[1]
Healthcare				
Mediclinic	**38 094**	**41 500**	40 027	40 756
Consumer products				
RCL Foods[3][4]	**8 007**	**7 855**	10 499	10 525
Heineken Beverages	**6 574**	**6 742**	6 624	7 071
Siqalo Foods[3]	**6 462**	**6 416**	6 339	6 103
Rainbow[3]	**3 646**	**2 949**	–	–
Capevin[3]	**1 640**	**1 124**	1 953	1 777
Financial services				
OUTsurance Group	**6 220**	**36 772**	6 099	21 792
Business Partners[3]	**1 494**	**1 424**	1 392	1 345
Infrastructure				
CIVH	**6 783**	**15 800**	6 907	14 497
SEACOM	**152**	**811**	131	683
Other infrastructure investments	**28**	**28**	40	40
Industrial				
Air Products	**1 445**	**6 290**	1 299	5 972
TotalEnergies[2]	**2 468**	**4 222**	2 726	3 467
Wispeco[3]	**1 972**	**1 900**	1 795	1 906
Other industrial investments	**–**	**–**	225	289
Diversified investment vehicles				
KTH	**2 333**	**3 129**	2 119	2 797
Prescient China Equity Fund	**1 187**	**1 187**	1 054	1 054
Invenfin	**644**	**752**	669	767
Other diversified investment vehicles	**1 356**	**1 356**	1 095	1 095
Media				
eMedia Investments	**470**	**470**	936	601
Other media investments	**175**	**215**	184	186
Portfolio investments				
Discovery	**9 150**	**9 150**	5 761	5 761
FirstRand[5]	**5 733**	**5 733**	7 572	7 572
Other portfolio investments	**1 006**	**1 006**	717	717
Social impact investments	**184**	**184**	162	162
Central treasury				
Cash at the centre[6]	**8 362**	**8 362**	6 822	6 822
Debt at the centre	**–**	**–**	(2 503)	(2 503)
Other net corporate assets	**1 454**	**2 070**	1 473	2 193
Intrinsic net asset value (INAV)	**117 039**	**167 447**	112 117	143 447
Potential CGT liability[7]		**(4 945)**		(4 156)
INAV after tax	**117 039**	**162 502**	112 117	139 291
Issued shares after deduction of shares repurchased (million)	**555.9**	**555.9**	554.9	554.9
INAV after tax per share (Rand)	**210.55**	**292.34**	202.04	251.01
Remgro share price (Rand)		**158.20**		136.09
Percentage discount to INAV		**45.9**		45.8

(1) *For purposes of determining the intrinsic net asset value, unlisted investments are shown at IFRS 13: Fair Value Measurement valuations and listed investments are shown at closing stock exchange prices.*
(2) *Refer to "Restatement of comparative numbers" on page 145 for further detail.*
(3) *Remgro determined the recoverable amounts for RCL Foods, Siqalo Foods, Rainbow, Capevin, Business Partners and Wispeco which are in excess of the investments' carrying values.*
(4) *The intrinsic value of RCL Foods included the Rainbow rights at 30 June 2024.*
(5) *The intrinsic value for FirstRand includes the investment at market value less deferred capital gains tax (CGT) on the investment. The comparative year included the after-tax zero cost collar hedge on 60 000 000 FirstRand shares amounting to a liability of R243 million.*
(6) *Cash at the centre excludes cash held by subsidiaries that are separately valued above (mainly RCL Foods, Rainbow, Siqalo Foods, Capevin and Wispeco).*
(7) *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. 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.*