

Unaudited condensed interim results

for the six months ended 31 March 2024

Contents

About RMH

Who we are	3
What we do	4

5

Financial review

Condensed consolidated statement of financial position	5
Condensed consolidated statement of profit or loss and other comprehensive income	5
Condensed consolidated statement of changes in equity	6
Computation of headline earnings	7
Computation of per share information	7
Condensed consolidated statement of cash flows	7
Basis of presentation of results	8
Other disclosures	9
Segmental information	11
Contingencies and commitments	11
Subsequent events	11
Going concern	11

12

Portfolio review

Atterbury	13
Integer	21

22

Performance and outlook

External environment	22
Financial performance	22
Net asset value breakdown	24
Board changes	25
Change in year-end	25
Outlook	25

26

Administration

Basis of preparation

This report covers the unaudited condensed interim results of RMB Holdings Limited (RMH) for the six months ended 31 March 2024.

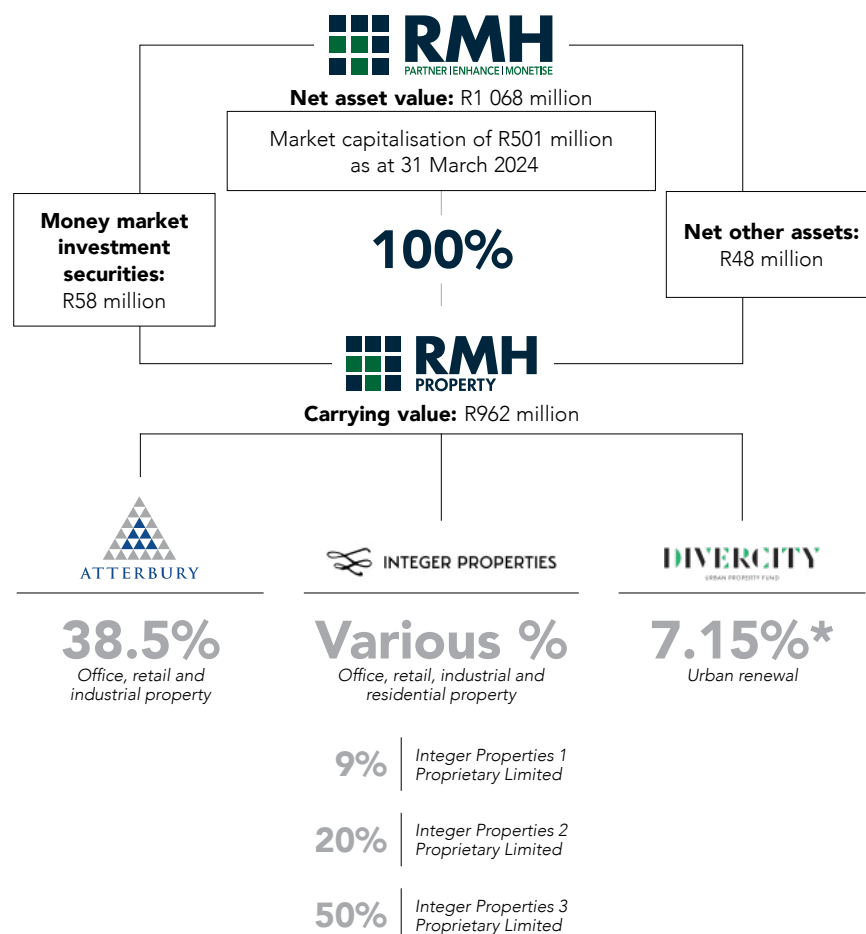
The financial director, Ellen Marais CA(SA), prepared these financial results under the supervision of Brian Roberts BCom (Hons), the chief executive officer.

Reviewed results for the 12 months ended 30 September 2024 will be released in December 2024, with the audited results to be published in January 2025.

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

About RMH

Who we are



	Atterbury	Integer	Divercity	RMH Property
Acquisition month	July 2016	December 2016 and September 2018	October 2018	July 2016
Cost of equity (R million)	809 (31 March 2023: 484)	32 (31 March 2023: 32)	157 (31 March 2023: 157)	
Contributions to RMH Property (%)	85	10	5	100
Carrying value, including loans and other assets (R million)	819 (31 March 2023: 476)	93 (31 March 2023: 204)	50 (31 March 2023: 97)	962 (31 March 2023: 777)
Change in carrying value, including loans and other assets (%)	72	(54)	(48)	24

* On 28 March 2024 RMH announced the repurchase of its 7.15% interest in Divercity by Divercity. The transaction was completed on 12 April 2024 and following the successful implementation RMH declared a special dividend of 3.5 cents per share that was paid on 3 June 2024.

What we do

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

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

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

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

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

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

■ Paid a special dividend of R327 million on 29 January 2024.

■ Disposed of its equity interest in Divercity on 12 April 2024.

■ Post 31 March 2024 declared a special dividend of R48 million.

RMH has to date returned R3.475 billion in cash since June 2020 in execution of its monetisation strategy in the form of special dividends. On 24 June 2020, the market capitalisation of RMH was R2.4 billion. Management continues to explore opportunities to monetise the remaining assets in the portfolio in a manner that best promotes value creation for its shareholders.

RMH's share price on 28 March 2024 of 36 cents (31 March 2023: 49 cents) represented a discount of 53% (31 March 2023: 51%) to the IFRS net asset value of 76.7 cents per share (31 March 2023: 100.3 cents per share). This is not unusual compared to other South African listed property companies, which trade at an average discount to net asset value of 30%, according to Anchor Capital's strategy and allocation report for the second quarter of 2024.

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

RMH's ordinary dividend policy is to not pay a regular dividend. Distributions will be made as assets are monetised.

In keeping with this policy and following the disposal of Divercity, RMH declared a special dividend of 3.5 cents per share on 24 April 2024. The dividend was paid on 3 June 2024.

Financial review

RMH's net asset value decreased from R1 449 million as at 30 September 2023 to R1 068 million as at 31 March 2024. This was predominantly as a result of the underlying net asset value of Atterbury Property Holdings Proprietary Limited (Atterbury) remaining static, the payment of the special dividend of R327 million in January 2024 and the further decrease in Divercity's fair value following the repurchase of RMH's interest for R50 million on 12 April 2024.

Further detail is set out on page 22 of this report.

Condensed consolidated statement of financial position

R million	As at			30 September 2023
	31 March 2024	31 March 2023	% change	
ASSETS				
Current assets				
Cash and cash equivalents	96	94		84
Investment securities	132	772		315
Loans and receivables	–	5		514
Taxation receivable	1	3		1
Non-current assets				
Loans and receivables	38	204		33
Investment in associates and joint ventures	851	448		550
Total assets	1 118	1 526	(27)	1 497
EQUITY				
Share capital and premium	8 538	8 574		8 538
Reserves	(7 470)	(7 158)		(7 089)
Total equity	1 068	1 416	(25)	1 449
LIABILITIES				
Current liabilities				
Trade and other payables	30	32		32
Provisions	2	61		2
Taxation payable	4	1		–
Financial liabilities	–	5		–
Non-current liabilities				
Long-term liabilities	14	11		14
Total liabilities	50	110	(55)	48
Total equity and liabilities	1 118	1 526	(27)	1 497

Condensed consolidated statement of profit or loss and other comprehensive income

R million	For the			Six months ended 30 September 2023
	Six months ended 31 March 2024	12 months ended 31 March 2023	% change	
Investment income	10	33		19
Share of after-tax profit of associates and joint ventures	(30)	126		53
Revenue	(20)	159	>(100)	72
Loss on sale of Atterbury Europe	–	(589)		–
Fee income	–	5		1
Fair value gains on financial assets and liabilities	(30)	38		11
Net ECL increase	(4)	(3)		(34)
Net (loss)/income	(54)	(390)	86	50
Operating expenses ¹	(19)	(29)		(27)
(Loss)/income from operations	(73)	(419)		23
Income tax expense	(2)	(21)		(8)
(Loss)/profit for the period	(75)	(440)	83	15
Profit/(loss) attributable to:				
Ordinary equity holders of the company	(75)	(440)		15
(Loss)/profit for the period	(75)	(440)	83	15
Other comprehensive loss, after tax				
Items that may subsequently be reclassified to profit or loss				
Exchange difference on translating foreign operations	–	140		–
Reclassification of accumulated comprehensive income of Atterbury Europe	–	(166)		–
Other comprehensive loss	–	(26)		–
Total comprehensive (loss)/income for the period	(75)	(466)	84	15
– Attributable to ordinary equity holders of the company	(75)	(466)	84	15
(Loss)/earnings per share (cents)				
– Basic	(5.6)	(31.9)	82	1.1
– Diluted	(5.6)	(31.9)	82	1.1

¹ Operating expenses include the amortisation of the forfeitable share plan of R5 million and an increase of R4 million in the RMH Property equity-settled structure. Refer to page 23 for more details on expenses.

Condensed consolidated statement of changes in equity

R million	Share capital and premium	Equity-accounted reserves	Foreign currency translation reserves	Other reserves	Retained earnings	Equity of ordinary equity holders
Balance as at 1 April 2022	8 825	1 727	26	(18)	(6 650)	3 910
Total comprehensive loss	–	–	(26)	–	(440)	(466)
Special dividends paid	(251)	–	–	–	(1 723)	(1 974)
Special dividend received on treasury shares	–	–	–	–	18	18
Income of associate released	–	(1 591)	–	–	1 591	–
Share option expense – IFRS 2	–	–	–	3	–	3
Movement in treasury shares	–	–	–	(67)	(8)	(75)
Reserve movements relating to associates	–	24	–	–	(24)	–
Balance as at 31 March 2023	8 574	160	–	(82)	(7 236)	1 416
Balance as at 1 April 2023	8 574	160	–	(82)	(7 236)	1 416
Shares repurchased in terms of section 164	(36)	–	–	–	–	(36)
Total comprehensive income	–	–	–	–	15	15
Special dividend received on treasury shares in escrow released	–	–	–	–	(7)	(7)
Income of associate retained	–	49	–	–	(49)	–
Share option expense – IFRS 2	–	–	–	(2)	–	(2)
Movement in treasury shares	–	–	–	58	3	61
Reserve movements relating to associates	–	2	–	–	–	2
Balance as at 30 September 2023	8 538	211	–	(26)	(7 274)	1 449
Balance as at 1 October 2023	8 538	211	–	(26)	(7 274)	1 449
Total comprehensive loss	–	–	–	–	(75)	(75)
Special dividends paid	–	–	–	–	(327)	(327)
Special dividend received on treasury shares	–	–	–	–	11	11
Loss of associate retained	–	(30)	–	–	30	–
Share option expense – IFRS 2	–	–	–	9	–	9
Reserve movements relating to associates	–	1	–	–	–	1
Balance as at 31 March 2024	8 538	182	–	(17)	(7 635)	1 068

Computation of headline earnings

	For the			Six months ended 30 September 2023
	Six months ended 31 March 2024	12 months ended 31 March 2023	% change	
R million				
(Loss)/earnings attributable to equity holders	(75)	(440)	83	15
Adjusted for:				
RMH's share of adjustments made by RMH Property and its associates				
– RMH Property's associates' adjustments	36	11		(34)
– Loss on sale of Atterbury Europe	–	589		–
Headline (loss)/earnings	(39)	160	>(100)	(19)

Computation of per share information

	For the			Six months ended 30 September 2023
	Six months ended 31 March 2024	12 months ended 31 March 2023	% change	
R million				
(Loss)/earnings attributable to equity holders	(75)	(440)	83	15
Headline (loss)/earnings attributable to equity holders	(39)	160	>(100)	(19)
Net asset value	1 068	1 416	(25)	1 449
Net asset value excluding cash earmarked for special dividend	1 019	1 089	(6)	1 122
Number of shares in issue (millions)	1 392.9	1 411.7	(1)	1 392.9
Weighted average number of shares in issue (millions)	1 343.3	1 380.9	(3)	1 343.3
Diluted weighted average number of shares in issue (millions)	1 343.3	1 380.9	(3)	1 343.3
(Loss)/earnings per share (cents)	(5.6)	(31.9)	82	1.1
Diluted (loss)/earnings per share (cents)	(5.6)	(31.9)	82	1.1
Headline (loss)/earnings per share (cents)	(2.9)	11.6	>(100)	(1.4)
Diluted headline (loss)/earnings per share (cents)	(2.9)	11.6	>(100)	(1.4)
Dividend per share (cents)	23.5	141.7	(83)	–
Net asset value per share (cents)	76.7	100.3	(24)	104.0
Net asset value excluding cash earmarked for special dividend (cents)	73.2	77.1	(5)	80.5

Condensed consolidated statement of cash flows

	For the			Six months ended 30 September 2023
	Six months ended 31 March 2024	12 months ended 31 March 2023	% change	
R million				
Cash flow from operating activities				
Cash invested in operations	(1)	(3)		(24)
Interest received	3	16		3
Income tax paid	(2)	(23)		(7)
Net cash utilised in operating activities	–	(10)	100	(28)
Cash flow from investing activities				
Loans repaid by associates and joint ventures	176	–		78
Loans granted to associates and joint ventures	–	(27)		(487)
Loan to Atterbury Europe sold	–	25		–
Additions to investment securities	(173)	(1 815)		(65)
Disposal of investment securities	325	2 096		528
Proceeds on disposal of Atterbury Europe	–	1 725		–
Net cash inflow from investment activities	328	2 004	(84)	54
Cash flow from financing activities				
Treasury shares bought	–	(20)		–
Shares repurchased in terms of section 164 of the Companies Act	–	–		(36)
Special dividend received on treasury shares	11	18		–
Special dividend paid to equity holders as a return of capital	–	(251)		–
Special dividend paid to equity holders	(327)	(1 723)		–
Net cash outflow to financing activities	(316)	(1 976)	84	(36)
Net increase/(decrease) in cash and cash equivalents	12	18	(33)	(10)
Cash and cash equivalents at the beginning of the period	84	76		94
Cash and cash equivalents at the end of the period	96	94	2	84

Basis of presentation of results

The unaudited condensed interim results for the six months ended 31 March 2024 contained in this booklet are prepared in accordance with the JSE Listings Requirements for condensed results.

This report is prepared in accordance with:

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

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

Accounting policies

These unaudited condensed interim results incorporate accounting policies that are in terms of IFRS and consistent with those used in preparing the audited financial results for the six months ended 30 September 2023.

The directors are satisfied that RMH has adequate resources to continue in business for the foreseeable future. The going concern basis, therefore, continues to apply and was used in preparing the results.

The following amendments were applicable from 1 January 2023:

Title	Effective date
<i>IFRS 17</i> (including the June 2020 amendments to <i>IFRS 17</i>) Insurance Contracts	1 January 2023
Amendments to <i>IAS 1</i> and <i>IFRS Practice Statement 2</i> Disclosure of Accounting Policies	1 January 2023
Definition of Accounting Estimate Amendment to <i>IAS 8</i>	1 January 2023
Amendments to <i>IAS 12</i> Deferred Tax related to Assets and Liabilities arising from a Single Transaction	1 January 2023
Amendments to <i>IAS 12</i> International Tax Reform – Pillar Two Model Rules	1 January 2023

None of the new or amended IFRS which became effective for the six months ended 31 March 2024 had a significant impact on the group's reported earnings, financial position or reserves, or the accounting policies.

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

Other disclosures

Fair value measurements and analysis of assets and liabilities

This note provides information about the judgements and estimates made to determine the fair values of the financial instruments that are recognised and measured at fair value in the condensed consolidated financial statements. To provide an indication of the reliability of the inputs used in determining fair value, the group has classified its financial instruments into the three levels prescribed under the accounting standards. An explanation of each level is reflected on page 10.

Valuation methodology applied

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

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

Fair value measurement

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

Recurring fair value measurements

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

Other fair value measurements

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

Fair value hierarchy and measurements

R million	Level 1	Level 2	Level 3	Total
As at 31 March 2024				
<i>Recurring fair value measurements</i>				
Financial assets measured at fair value				
Investment securities	58	24	50	132
Fair value of financial assets	58	24	50	132
As at 31 March 2023				
<i>Recurring fair value measurements</i>				
Financial assets measured at fair value				
Investment securities	647	28	97	772
Fair value of financial assets	647	28	97	772
<i>Recurring fair value measurements</i>				
Financial liabilities measured at fair value				
Financial liabilities	–	–	5	5
Fair value of financial liabilities	–	–	5	5
As at 30 September 2023				
<i>Recurring fair value measurements</i>				
Financial assets measured at fair value				
Investment securities	201	27	87	315
Fair value of financial assets	201	27	87	315

Valuations based on observable inputs include:

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

Financial assets

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

Instrument	Valuation technique	Description of valuation technique and main assumptions	Unobservable inputs
Loans and receivables including loans to associates and joint ventures	Discounted cash flows	The future cash flows are discounted using a market-related interest rate adjusted for credit inputs over the contractual period.	Interest rates
Investment securities – unlisted equity investments	Net asset value per share of underlying investment	The unlisted investment relates to Divercity. Divercity's primary business is long-term investing in urban renewal, income-generating properties and developments in South Africa. Given the asset-intense investment and inconsistent earnings, it remains appropriate that the base to value the investment is a market-related net asset value basis. These valuations are supported by external valuations. RMH has, however, applied a minority discount of 20%. Minority and illiquidity discounts are widely accepted investment principles, investors should bear this in mind when making investment decisions. For the current period RMH carried the investment at the repurchase price of R50 million.	Net asset value and minority discount

Reconciliation of Level 3 assets measured at fair value

	For the		
	Six months ended 31 March 2024	12 months ended 31 March 2023	Six months ended 30 September 2023
R million			% change
Balance at the beginning of the period	87	134	97
Disposals	–	(24)	–
Fair value movement recognised in profit or loss	(37)	(13)	(10)
Balance at the end of the period	50	97	(48)

Financial liabilities

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

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

Reconciliation of Level 3 liabilities measured at fair value

	For the		
	Six months ended 31 March 2024	12 months ended 31 March 2023	Six months ended 30 September 2023
R million			% change
Balance at the beginning of the period	–	7	5
Fair value movement recognised in profit or loss	–	(2)	(5)
Balance at the end of the period	–	5	–

Segmental information

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

Contingencies and commitments

R million	For the		
	Six months ended 31 March 2024	12 months ended 31 March 2023	Six months ended 30 September 2023
Financial guarantees provided on behalf of associates	–	489	–
Contingent liability relating to post-redemption liabilities of preference shares	22	46	46
Sureties on behalf of associates and joint ventures	30	30	30
Loan funding committed to associates and joint ventures	–	13	–
Total contingencies and commitments	52	578	(91)

Subsequent events

Atterbury

Sale of Atterbury's interest in Mall of Africa to Attacq Limited

On 7 May 2024, Attacq Limited announced its intention to buy Atterbury's remaining 20% undivided share in the Mall of Africa for R1.07 billion. The purchase consideration represented a 7.7% discount to the December 2023 external valuation and the sale was subject to conditions precedent normal for a transaction of this nature, including Competition Commission approval.

RMH adjusted Atterbury's net asset value used in preparation of its unaudited condensed interim results to recognise the discount at which the asset was sold. This led to a reduction of R85 million in Atterbury's 31 December 2023 net asset value. The 20% undivided share in Mall of Africa contributed R385 million to the net asset value of Atterbury at 31 December 2023.

Diversity

On 28 March 2024, RMH announced the offer received from Divercity to repurchase RMH's 7.15% equity interest for R50 million. The transaction had limited conditions precedent and was completed on 12 April 2024.

Special dividend

Following the successful implementation of the Divercity share repurchase, RMH declared a special dividend of 3.5 cents per share which was paid on 3 June 2024.

Going concern

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

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

Solvency

As at 31 March 2024, the group had a positive net asset value of R1.07 billion (31 March 2023: R1.41 billion) and its current assets exceeded its current liabilities by R193 million (31 March 2023: R775 million).

Liquidity

As at 31 March 2024, the group had available liquidity of R133 million (31 March 2023: R206 million) comprising unrestricted cash, cash equivalents and listed unit trusts. The directors have reviewed the group's cash flow forecasts for the next 12 months and, in light of this review and the current financial position, the directors believe that the group has adequate financial resources to continue to operate for the ensuing 12-month period.

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

Portfolio review

R million	For the six months ended 31 March 2024				For the 12 months ended 31 March 2023				For the six months ended 30 September 2023			
	Associates		Joint Venture		Associates		Joint venture		Associates		Joint venture	
	Atterbury	Integer	Integer 3	Total	Atterbury	Integer	Integer 3	Total	Atterbury	Integer	Integer 3	Total
Financial position												
Current assets	2 169	19	14	2 202	1 542	43	7	1 592	2 254	43	57	2 354
Non-current assets	6 269	81	210	6 560	7 742	147	300	8 189	7 140	81	244	7 465
Total assets	8 438	100	224	8 762	9 284	190	307	9 781	9 394	124	301	9 819
Current liabilities	3 420	7	1	3 428	1 736	2	7	1 745	1 707	31	9	1 747
Non-current liabilities	2 115	221	241	2 577	5 126	275	304	5 705	5 077	222	304	5 603
Total liabilities	5 535	228	242	6 005	6 862	277	311	7 450	6 784	253	313	7 350
Non-controlling interest	753	4	1	758	792	4	1	797	793	4	2	799
Net asset value	2 150	(132)	(19)	1 999	1 630	(91)	(5)	1 534	1 817	(133)	(14)	1 670
RMH Property's share	795*	–	–	795	448	–	–	448	500	–	–	500
Loans or other assets	24**	–	93	117	28	–	204	232	453	–	167	620
Carrying value	819	–	93	912	476	–	204	680	953	–	167	1 120
Performance												
Revenue	475	10	8	493	1 033	25	16	1 074	525	7	4	536
Net (loss)/profit	(96)	(11)	(15)	(122)	320	(55)	(10)	255	183	(11)	(11)	161
Other comprehensive income	4	–	–	4	2	–	–	2	1	–	–	1
Total comprehensive (loss)/income	(92)	(11)	(15)	(118)	322	(55)	(10)	257	184	(11)	(11)	162
RMH Property's share of (loss)/earnings	(33)	–	–	(33)	55	–	(10)	45	51	–	(20)	(31)
RMH Property's share of headline (loss)/earnings	3	–	–	3	48	–	7	55	17	–	(20)	(3)

* RMH's share of the unadjusted Atterbury net asset value is R827 million. This amount was reduced by R32 million to account for the agreed discount in the sale price of the 20% undivided share in Mall of Africa, as announced on 7 May 2024 by Attacq Limited.

** Each Ascencia-linked preference share is directly associated with one Ascencia share. If an Ascencia share is sold, the corresponding preference share is redeemed, utilising the proceeds from the sale. Additionally, any dividends earned by the Ascencia share are passed through to the holder of the preference share.



Atterbury

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

The net asset value of Atterbury has increased by R333 million since 30 September 2023. Of this increase, R325 million relates to the conversion of the loan by RMH at the June 2023 net asset value on 6 November 2023. The underlying net fair value of investment properties increased by R70 million, with developments to the value of R248 million being reclassified from work in progress to investment properties.

The underlying portfolio performed well, delivering a net operating income of R287.6 million for the six months (31 December 2022: R312.5 million). The performance is not directly comparable due to significant disposals completed in the six months ending 31 December 2023, which included Old Mint, the Dunes Mall, and the disposal to Twin City of 30% of Castle Gate, the Club and Village Precinct.

Finance costs amounted to R257.9 million, compared to R285.3 million. Interest rates remain high, with no change in the prime lending rate in the reporting period. The portfolio LTV has remained static at 61% since June 2023 with group LTV reducing from 68.9% to 60.8% as a result of the R325 million loan conversion.

Castle Gate, Mall of Africa (20% undivided share), Newtown and The Grove constitute 55% of Atterbury's property portfolio on a net asset value basis.

The tables on pages 15 to 19 contain a summary of the key ratios of the Atterbury property portfolio on a business review basis and not necessarily on an IFRS basis.

Return on investment property

55% of Atterbury's property portfolio (on a contribution to net asset value basis) consists of the following developments:

Mall of Africa (20% undivided share)



GLA: 126 062m²

Location: Midrand, South Africa

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

Castle Gate



GLA: 25 036m²

Location: Pretoria, South Africa

Major tenants: Woolworths, Checkers, Dischem, Builders Warehouse

Newtown Precinct



GLA: 79 663m²

Location: Johannesburg, South Africa

Major tenants: Nedbank, Richfield Graduate Institute of Technology, Capitec, Mr Price, Pick n Pay, Planet Fitness, McDonalds, Shoprite and ABSA

The Grove



GLA: 52 772m²

Location: Windhoek, Namibia

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

Atterbury is well-known for its mixed-use precinct developments - 77% of the portfolio consists of mixed-use and retail developments while the remainder of the portfolio includes 15% commercial and 8% industrial developments. Atterbury prides itself on its commercial vacancy rate of 5.1% in comparison to the MSCI South African Real Estate Biannual Index, December 2023 which noted a vacancy rate of 15.2%. The Atterbury group has a strong asset management capability that significantly contributes to the operational performance of its underlying properties.

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

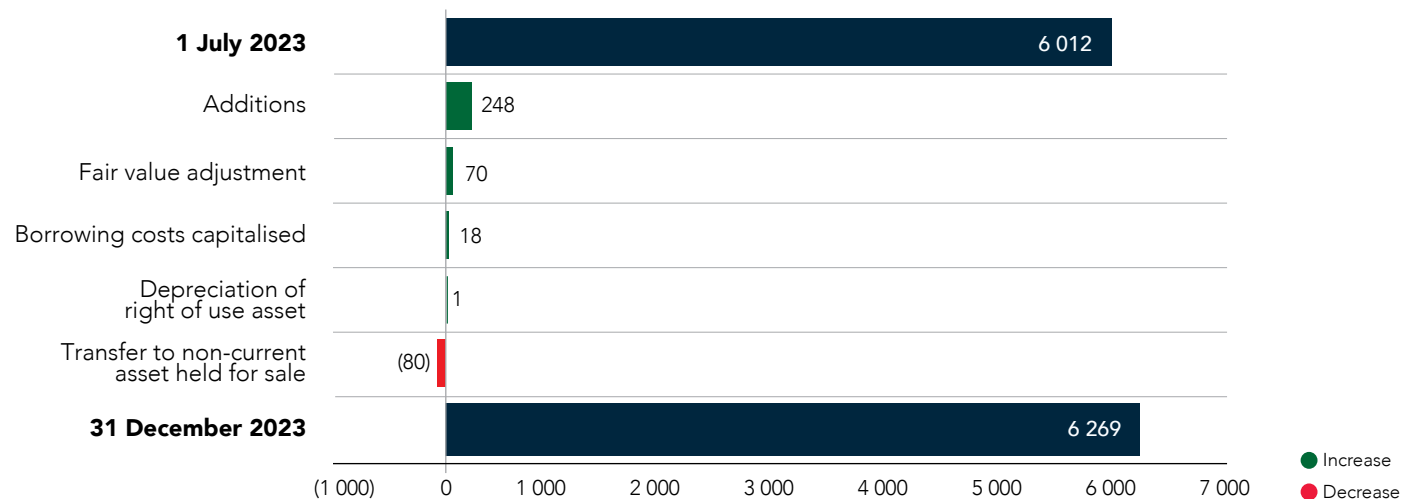
R million	For the six months ended 31 December 2023								For the 12 months ended 30 June 2023							
	Value	Property income	Property expenses	Atterbury	% of Atterbury property portfolio	Yield (annualised) %	Gross lettable area (GLA) m ²	Vacancy %	Value	Property income	Property expenses	Atterbury	% of Atterbury property portfolio	Yield (annualised) %	GLA m ²	Vacancy %
Mixed-use and retail	4 310	291.7	(116.3)	175.4	77	7.5	206 636	4.9	4 801	632	(251)	381	79	7.9	219 833	6.5
Commercial	836	49.8	(17.3)	32.5	15	7.2	75 294	10.4	841	98	(37)	61	14	7.1	75 301	6.1
Industrial	483	17.4	(4.5)	12.9	8	7.8	52 463	–	468	48	(15)	33	7	7.1	36 193	–
Land and infrastructure	–	1.7	(1.8)	(0.1)	–	–	–	–	–	3	(5)	(2)	–	–	–	–
Atterbury property portfolio	5 629	360.6	(139.9)	220.7	100	7.5	334 393	4.9	6 110	781	(308)	473	100	7.7	331 327	5.7

R million	For the six months ended 31 December 2022							
	Value	Property income	Property expenses	Atterbury	% of Atterbury property portfolio	Yield (annualised) %	GLA m ²	Vacancy %
Mixed-use and retail	4 795	307.7	(128.1)	179.6	78	7.4	221 151	5.1
Commercial	883	53.7	(18.7)	35.0	14	7.6	75 301	6.1
Industrial	455	24.5	(7.9)	16.6	8	7.2	63 374	–
Atterbury property portfolio	6 133	385.9	(154.7)	231.2	100	7.4	359 826	4.4

The change in the portfolio mix from 31 December 2022 to 31 December 2023 can be explained by:

- Mixed-use and retail's decrease relates to the disposal of Dunes Mall and Flamwood Shopping Centre during the current period.
- Commercial's decrease relates to the decrease in valuation of the Newtown Precinct.
- Industrial's increase relates to new buildings opening namely Takealot, Rubicon & Brights at Richmond Industrial Park, Afrilog at Randport Industrial Park, and Truworths at KingAir Industria offset by the disposal of Old Mint Industrial Park.

Change in investment property on an IFRS basis for the six months ended 31 December 2023:



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

	As at 31 December 2023			As at 31 December 2022			As at 30 June 2023		
	Weighted average lease expiry (WALE) period years	Lease expiry GLA m ²	WALE escalation %	WALE period years	Lease expiry GLA m ²	WALE escalation %	WALE period years	Lease expiry GLA m ²	WALE escalation %
Atterbury property portfolio	4.0	103 256	5.9	4.5	48 750	5.54	3.60	45 752	5.99

Vacancy

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

	For the											
	Six months ended 31 December 2023	Six months ended 31 December 2022	12 months ended 30 June 2023	Six months ended 31 December 2023	Six months ended 31 December 2022	12 months ended 30 June 2023	Six months ended 31 December 2023	Six months ended 31 December 2022	12 months ended 30 June 2023	Six months ended 31 December 2023	Six months ended 31 December 2022	12 months ended 30 June 2023
	GLA (m ²)			Vacancy (m ²)			Vacancy based on GLA (%)			Valuation (R'000)		
Mixed-use and retail	274 221	306 525	305 040	13 669	15 425	19 554	4.98	5.03	6.4	9 843	10 139	10 258
Commercial	121 210	121 219	121 220	12 565	6 141	6 049	10.37	5.07	5.6	2 912	2 838	2 871
Industrial	167 873	188 670	121 910	–	–	–	–	–	–	2 096	1 962	1 763
Atterbury property portfolio	563 304	616 414	548 170	26 234	21 566	25 603	4.66	3.50	4.7	14 851	14 939	14 892

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

Trading densities

A breakdown of the trading densities of the retail portfolio of Atterbury, measured as trading density/m², is as follows:

Rand	Newtown	Pan Africa	Grove Mall	Pemba	Castle Gate	Richmond Corner	Mall of Africa	The Village	The Club Retail	Club Medical	Die Klubhuis	Club One	La Gratitude
For the six months ended 31 December 2023	1 972	3 559	3 722	2 581	8 318	3 514	4 248	5 037	5 512	4 354	5 698	3 971	2 007
For the six months ended 31 December 2022	1 933	2 960	3 478	2 500	7 239	3 447	3 869	4 430	4 996	4 075	5 587	4 692	1 351
% change	2	20	7	3	15	2	10	14	10	7	2	(15)	49
For the 12 months ended 30 June 2023	2 029	3 024	3 751	2 581	7 823	3 480	4 123	4 655	5 487	4 138	5 592	2 947	1 817

The assets continued to perform well with most trading densities increasing, noting the following:

- The Pan Africa Mall did not trade for a period in the comparative period as a result of damage caused by the riots in July 2022. The increase is therefore not representative of the rise in trading densities on a normalised basis.
- The Village – Village Walk opened in November 2023 which contributed to the increase in trading densities.
- The decrease in Club One is due to lower turnover at the Two and a Half Amigos restaurant compared to the Easy Tiger restaurant in the same period last year.

Funding

	For the								
	Six months ended 31 December 2023	Six months ended 31 December 2022	12 months ended 30 June 2023	Six months ended 31 December 2023	Six months ended 31 December 2022	12 months ended 30 June 2023	Six months ended 31 December 2023	Six months ended 31 December 2022	12 months ended 30 June 2023
	Loan-to-value (LTV) (%)			Interest coverage ratio (ICR) (times)			Debt service coverage ratio (DSCR) (times)		
Mixed-use and retail	61.9	64.6	62.7	1.14	1.12	1.15	0.87	0.96	0.93
Commercial	52.8	55.3	52.5	1.23	1.32	1.23	0.94	0.89	0.87
Industrial	67.8	60.2	58.0	1.44	1.21	1.16	1.01	0.99	0.99
Total portfolio	61.0	62.9	61.0	1.17	1.15	1.16	0.89	0.96	0.93
Land and infrastructure	46.3	48.4	52.8	–	(0.48)	–	–	(0.48)	–
Atterbury ¹	60.8	62.1	68.9 ¹	1.04	1.11	0.97 ¹	0.82	0.92	0.75
Management KPI	65			1.2			1.0		

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

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

	For the		
	Six months ended 31 December 2023	Six months ended 31 December 2022	12 months ended 30 June 2023
Average loan term (months)	23.3	21.76	18.7
Average term of swaps (months)	13.72	16.6	12.9
% of funding linked to variable rate	59.34	72.05	74.0
% of funding pool hedge	40.66	27.95	26.0
Average cost of funding (% per annum)	9.75	9.01	10.3

Operational performance

Expense ratio

	For the		
	Six months ended 31 December 2023	Six months ended 31 December 2022	12 months ended 30 June 2023
Gross income (R million)	679	698	1 154
Net expense ratio (%)	20	19.5	32.5

The net expense ratio is calculated as revenue and expenditure attributable to the property and excludes any recoverable expenses and associated recoveries.

Collections

Rolling 12-month collections percentage

%	Jul 2023	Aug 2023	Sept 2023	Oct 2023	Nov 2023	Dec 2023						
Six months ended 31 December 2023	83	104	102	101	101	106						
%	Jul 2022	Aug 2022	Sept 2022	Oct 2022	Nov 2022	Dec 2022	Jan 2023	Feb 2023	Mar 2023	Apr 2023	May 2023	Jun 2023
12 months ended 30 June 2023	83	124	98	97	101	127	91	91	92	98	100	108

Average collection percentage for the rolling 12 months ending December 2023 was 99.7%.

Development pipeline

Atterbury has the following developments:

Name	Sector	Estimated date of completion
Castle Gate – Phase 2	Retail	May 2024
Richmond Park – Solar MD	Industrial	June 2024
Pan Africa Mall	Retail	October 2024
Richmond Park – Takealot Phase 2	Industrial	November 2024
Barlow Park – Phase 2	Residential	April 2025
Old East Precinct – Bendehuis	Mixed-use	July 2025

Atterbury has the following land holdings:

Name	Sector	Land area m ²
Richmond Park	Industrial	211 153
King Air Industria	Industrial	403 962
Randport	Industrial	42 775
Louwlandia Billboard	Commercial	18 781
Castle Gate	Mixed-use	85 304
Old East Precinct	Mixed-use	6 800



Integer

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

Integer 1: RMH only owns 9% of this entity. All assets have been disposed of and the entity will be wound down. RMH has valued its interest at R nil as no further cash flow is anticipated.

Integer 2: Integer 2 comprises two properties: a warehouse in Corporate Park South in Midrand, which is occupied by Vermont Sales, and a warehouse in Montagu Gardens in Cape Town, which is occupied by Rialto Foods. RMH has valued its interest at R nil and no future cash flow is anticipated.

Integer 3: RMH owns 50% of this entity.

Integer 3 owns the following assets:

- A call centre in Blackheath occupied by SSD. The lease expires at the end of December 2025 and the property will then either be sold to the shareholders of SSD or taken to auction. The bank debt then would be fully repaid and all proceeds would be used to settle the Integer 3 loan which would have an estimated balance of R17 million.
- A purpose-built warehouse in Montagu Gardens in the Western Cape occupied by Robertson and Caine, the second-largest luxury yacht builder in the world. The property has a five-year lease that expires on 31 July 2028;
- A sectional title residential development in Mashishing consisting of 36 units of which 33 units have been sold and are at various stages in the transfer process. RMH is not anticipating any cash proceeds from these sales; and
- A 50% share of Millenium.

Millenium is developing Big Tree Estate, an 808-unit residential estate in Northriding which will be completed by the end of the third quarter of 2024. The directors' valuation of the property on completion remains at a value less than the expected final total cost.

As a result, the expected value has resulted in the proportionate loan being impaired by an expected credit loss (ECL) of R40 million (R37 million as at 30 September 2023).

The disproportionate shareholders' loan provided to Integer 3, with a balance of R38 million, carries interest at a rate of prime plus 10%. Interest is currently not serviced.

Performance and outlook

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

External environment

RMH's macroeconomic environment is characterised by the following:

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

RMH's decrease in net asset value to R1 068 million from R1 416 million as at 31 March 2023 was predominantly as a result of:

- Atterbury's underlying net asset value, excluding the conversion of R325 million, remaining static;
- The decrease of the Integer loan balances of R167 million to R93 million as a result of R74.5 million in repayments received after 30 September 2023 and incorporated in the January 2024 special dividend payment;
- A further decrease of R37 million in Diverscity to the agreed repurchase price of R50 million; and
- The payment of the January 2024 special dividend of R327 million.

Financial performance

Net asset value

R MILLION

1 068 25% 

31 March 2023: 1 416
30 September 2023: 1 449

Loss for the period

(Excluding Atterbury Europe)

R MILLION

75 >(100%) 

31 March 2023: 65 profit
30 September 2023: 15 profit

Equity accounted loss

(Excluding Atterbury Europe)

R MILLION

30 >(100%) 

31 March 2023: 45 earnings
30 September 2023: 53 earnings

The comparative period included the audited results of RMH for 12 months. During that period, there was a loss on Atterbury Europe of R589 million, as well as equity-accounted earnings of Atterbury Europe amounting to R81 million excluding these items, RMH delivered a profit of R65 million. For the six months ended 31 March 2024, RMH reported a loss after tax of R75 million. This was mainly due to:

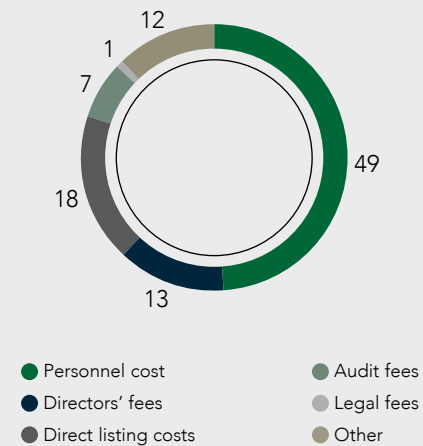
- An equity-accounted loss of R30 million by Atterbury, attributed to the adjustment for the agreed discount on the sale price of the 20% undivided share in Mall of Africa;
- A R37 million write-down of the 7.15% equity interest in Divercity to the agreed repurchase price;
- A R3 million decrease in the Ascencia-linked preference shares due to the further decrease in Ascencia's share price;
- Operating expenses of R19 million; and
- Interest income of R6 million and income from the money market unit trust of R10 million.

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

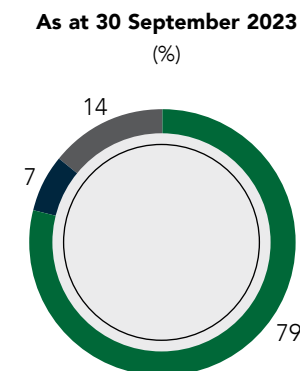
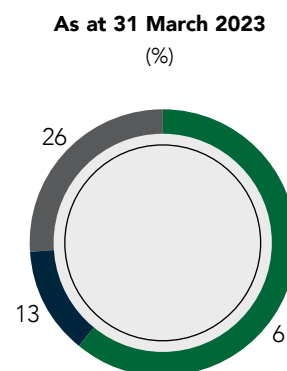
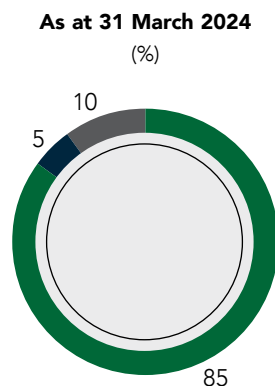
RMH's expense base, excluding the recognition of the accounting cost (current period charge of R10 million) for the long-term incentive schemes that are fully hedged by either treasury shares or cash retained, can be broken down into the following categories:

Expense breakdown (%)

For the six months ended
31 March 2024



The portfolio mix remains Atterbury-concentrated, with **85%** of the portfolio mix comprising RMH Property's investment in Atterbury.

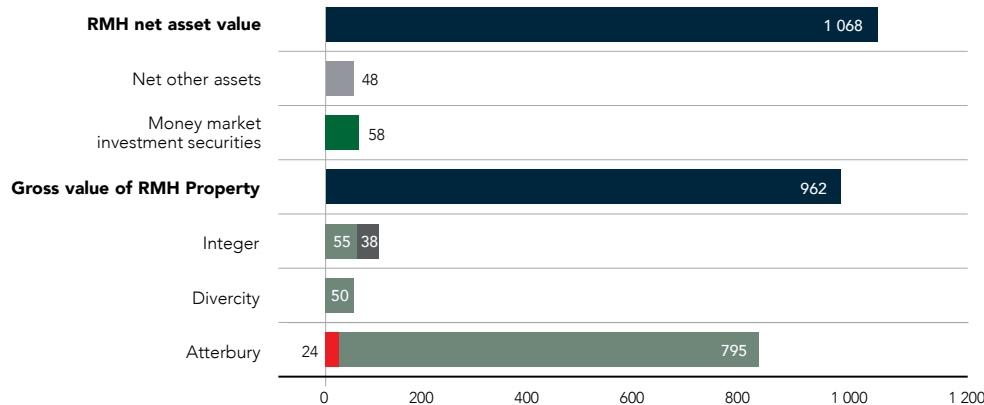


● Atterbury
● Divercity
● Integer

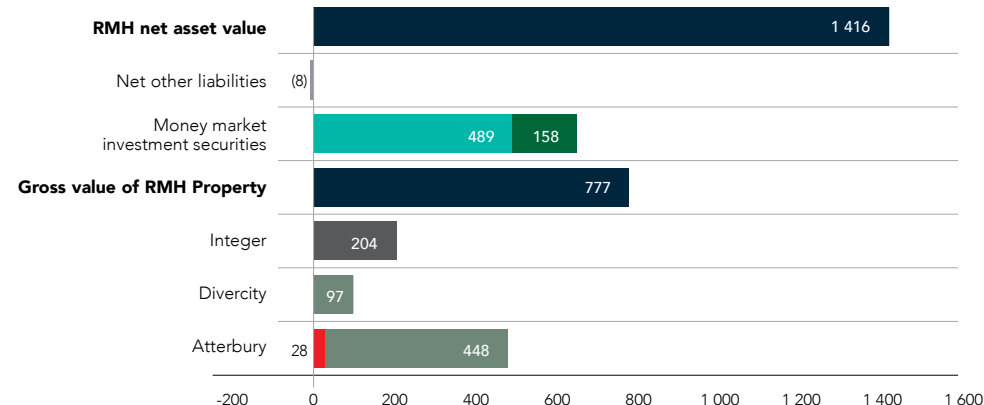
Net asset value breakdown

For detail on the change in net asset value, refer to page 22 of this report.

As at 31 March 2024 (R million)



As at 31 March 2023 (R million)



■ Total
■ Net other assets/liabilities
■ Money market investment securities retained for Atterbury guarantee

■ Loan to investee
■ Value of equity interest

■ Preference shares linked to Ascencia shares received as a result of the Atterbury dividend *in specie*
■ Money market investment securities

Board changes

On 28 March 2023, James Teeger stepped down as director and audit committee member. The board thanks him for his valuable insights and direction over the years.

Mamogae Mahlare replaced James Teeger as an audit committee member.

Change in year-end

We remind shareholders that RMH changed its financial year-end to September in order to use Atterbury's June audited results in compiling its own audited results. This resulted in the comparative information for the unaudited condensed interim results for the six months ended 31 March 2024 being the audited results for the 12 months ended 31 March 2023. Amounts will therefore not be directly comparable. Reviewed results for the 12 months ended 30 September 2024 will be released in December 2024, with the audited results to be published in January 2025.

Outlook

The fundamentals of the South African property market have been severely impacted over the last few years. COVID-19 exerted pressure on retail rentals and led to a significant decline in office occupancy. The subsequent increase in interest rates further strained the sector. As a result, there were sharp declines in share prices, with most companies still trading at levels 50% below their highs.

The first quarter of 2024, however, saw a total return of 3.5% in the FTSE/JSE SA Listed Property Index. This follows a total return of 10.7% for 2023, with the majority of the recovery occurring in December 2023. The growth was driven by the top performers, all of which have significant offshore exposure. The performance was further boosted by the weakening of the Rand against major developed market currencies due to local economic pressures, geopolitical tensions and continued structural challenges.

SA-focused REITs remain at an average negative value, with the sector trading at a 30% discount to net asset value, much higher than the historical 10-year average discount of 5%. The recovery in net asset value growth remains subdued as interest rates stay high, with a decrease in rates unlikely due to persistent levels of higher inflation. Capitalisation rates have shown only a marginal change despite the weakening in bond yields, suggesting that direct property valuations may be expensive relative to a medium-to-long-term risk-free rate.

Against a backdrop of low economic growth, high unemployment, peaking interest and inflation rates, the demand for retail, office and commercial property remains subdued.

Following the payment of the special dividend on 3 June 2024, RMH's 38.5% equity interest in Atterbury represents 78% of RMH's net asset value as of 31 March 2024.

RMH will continue with the monetisation of RMH Property, aiming to return maximum value to shareholders. The board is confident that RMH has sufficient liquidity to execute this strategy.

For and on behalf of the board



Herman Bosman
Chairman



Brian Roberts
CEO

Johannesburg
27 June 2024

Administration

RMB Holdings Limited (RMH)

(Incorporated in the Republic of South Africa)

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

Directors

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

Secretary and registered office

IKB Company Secretaries (Proprietary) Limited

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

Sponsor

(in terms of JSE Limited Listings Requirements)

BSM Sponsors Proprietary Limited

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

Transfer secretaries

Computershare Investor Services Proprietary Limited

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



www.rmh.co.za