AUDITED SUMMARY
CONSOLIDATED RESULTS
FOR THE YEAR ENDED
30 JUNE 2020

AND CASH DIVIDEND DECLARATION

SALIENT FEATURES

Total headline earnings per share	down by 61.3%
Headline earnings per share from continuing operations	down by 68.7%
Ordinary dividend per share	down by 53.0%
Intrinsic net asset value per share	R154.47

Remgro
Limited

Registration number 1968/006415/06
ISIN ZAE000026480 Share code REM

Remgro Limited

CONTENTS

INTRODUCTION

COVID-19

The Covid-19 pandemic and the resulting lockdown measures have brought desperation and devastation upon millions. In South Africa, lives and livelihoods have been lost, with household finances decimated and many going hungry in large parts of our country. The pandemic has evolved into the worst unemployment crisis in modern time and consequently, as lives are inevitably linked to livelihoods, a humanitarian disaster.

The imposition of the extended strict lockdown measures has threatened the survivability of many businesses, forcing them to restructure or close down. In response to the majority of South African Small and Medium Enterprises (SMEs) experiencing financial and operational stress due to the Covid-19 pandemic, Remgro Limited (Remgro, the Company or the Group) donated R500 million to The South African SME Relief Trust (The SA SME Relief Trust). The SA SME Relief Trust established The Sukuma Fund within days of lockdown to provide emergency relief to small businesses and is administered by Business Partners Limited. By the middle of August 2020, financial assistance of more than R750 million had been committed to more than 3 400 small businesses, positively affecting more than 31 000 employees.

This crisis is one of unknown unknowns and managing the crisis is the number one priority for us and all of our investee companies. Our focus is on the factors within our control, the health and well-being of our people, ensuring that our investments have the most robust financial positions to support business continuity and making sure that underlying investee companies that are in a position to offer help to the country are enabled to do so.

The pandemic and lockdown measures have had a widespread direct and indirect impact on most of Remgro's underlying investee companies. The economy has and will certainly continue to suffer severe short to medium term hardship, with the long-term impact difficult to predict, but we have faith in our Group's ability, largely due to our prudent investment strategy and low gearing ratios, to weather this storm and overcome the unique challenges that this crisis presents.

GROUP PROFILE

Originally established in the 1940s by the late Dr Anton Rupert, Remgro's investment portfolio has evolved substantially and currently includes investee companies across seven platforms. The Company is listed on the Johannesburg Securities Exchange (JSE), operated by the JSE Limited in South Africa under the "Financials – Financial Services – Investment Banking and Brokerage Services – Diversified Financial Services" sector, with the share code "REM". Remgro's interests consist mainly of investments in the financial services, healthcare, consumer products, industrial, infrastructure and media and sport industries. Remgro's most significant investments are Mediclinic International plc (Mediclinic) (44.6% interest), Rand Merchant Investment Holdings Limited (RMI) (30.6% interest), Community Investment Ventures Holdings Proprietary Limited (CIVH) (54.7% interest), FirstRand Limited (FirstRand) (4.0% interest), Distell Group Holdings Limited (Distell) (31.8% interest), RCL Foods Limited (RCL Foods) (77.1% interest), Siqalo Foods Proprietary Limited (Siqalo Foods) (100.0% interest), Air Products South Africa Proprietary Limited (Air Products) (50.0% interest) and Total South Africa Proprietary Limited (Total) (24.9% interest). These investments contribute approximately 85% to Remgro's intrinsic net asset value (INAV).

INTRODUCTION (continued)

GROUP REPORTING

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

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

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

GROUP FINANCIAL REVIEW

SALIENT FEATURES

	30 June 2020	% Change	30 June 2019
Total headline earnings (R million)	**3 167**	*(61.4)*	8 195
- per share (cents)	**560.6**	*(61.3)*	1 448.9
Headline earnings from continuing operations (R million)	**1 737**	*(68.7)*	5 551
- per share (cents)	**307.5**	*(68.7)*	981.4
Ordinary dividends per share (cents)	**265**	*(53.0)*	564

	30 June 2020	% Change	30 June 2019
Intrinsic net asset value per share (R)*	**154.47**	*(33.7)*	233.03
Remgro share price (R)*	**99.90**	*(46.8)*	187.90
Percentage discount to intrinsic net asset value (%)	**35.3**		19.4

* *Decrease reflects the RMH Unbundling and negative impact of Covid-19 on market values (listeds) and fair values (unlisteds) of underlying investee companies.*

COMPARISON WITH PRIOR YEAR

As a result of the unbundling of Remgro's 28.2% interest in RMB Holdings Limited (RMH) (RMH Unbundling), earnings and headline earnings measures are presented for continuing operations and discontinued operations. The investment in RMH is treated as a discontinued operation and, accordingly, discontinued operations include the equity accounted income of RMH for both financial years presented, as well as the profit realised on the RMH Unbundling. For the year under review the investment in RMH was equity accounted for the nine months to 31 March 2020 (2019: twelve months to 30 June 2019). Discontinued operations for the prior year also includes the profit realised on the disposal of Unilever South Africa Holdings Proprietary Limited (Unilever).

It should also be noted that with effect from 8 June 2020, Remgro ceased to have significant influence over FirstRand, due to among others the RMH Unbundling, and therefore the investment was reclassified from an equity accounted investment to an investment at fair value through other comprehensive income (FirstRand Reclassification). For the year under review the investment in FirstRand was equity accounted until 8 June 2020. In future only dividend income will be accounted for FirstRand in the income statement.

GROUP FINANCIAL REVIEW (continued)

COMPARISON WITH PRIOR YEAR (continued)

During the year under review the platforms under which the results of investee companies are being reported, were changed. Previously RMH and FirstRand were classified under *Banking* and RMI was classified under *Insurance*. As a result of the RMH Unbundling, these investee companies are included under the *Financial services* platform. Comparative figures have been presented accordingly.

HEADLINE EARNINGS

Overview

For the year to 30 June 2020, total headline earnings decreased by 61.4% from R8 195 million to R3 167 million, while total headline earnings per share (HEPS) decreased by 61.3% from 1 448.9 cents to 560.6 cents. Headline earnings and HEPS from continuing operations decreased by 68.7% from R5 551 million to R1 737 million and from 981.4 cents to 307.5 cents, respectively. Headline earnings and HEPS from discontinued operations decreased by 45.9% from R2 644 million to R1 430 million and from 467.5 cents to 253.1 cents, respectively.

The decrease in headline earnings from continuing operations is mainly due to the negative impact that the Covid-19 pandemic and the resultant lockdown measures had on the earnings of RMI, FirstRand, Total, Kagiso Tiso Holdings Proprietary Limited (KTH), Distell and RCL Foods, as well as lower interest income, increased losses from CIVH as they expand their fibre network footprint, organically and acquisitively, and a once-off donation of R500 million to The SA SME Relief Trust (Sukuma donation).

Contribution to headline earnings by reporting platform

R million	Year ended 30 June 2020	% Change	Year ended 30 June 2019
Financial services	**2 686**	*(45.2)*	4 898
Healthcare	**1 655**	*(2.2)*	1 693
Consumer products	**545**	*(40.6)*	918
Industrial	**103**	*(89.1)*	944
Infrastructure	**(716)**	*(311.5)*	(174)
Media and sport	**97**	*385.0*	20
Other investments	**(66)**	*(269.2)*	39
Central treasury			
- finance income	**479**	*(36.6)*	755
- finance costs	**(951)**	*(15.6)*	(823)
- option remeasurement	**2**	*(98.2)*	112
Other net corporate costs	**(667)**	*(256.7)*	(187)
Total headline earnings	**3 167**	*(61.4)*	8 195
Discontinued operations	**(1 430)**		(2 644)
Headline earnings from continuing operations	**1 737**	*(68.7)*	5 551

Refer to pages 12 and 13 for the segmental information.

Commentary on reporting platforms' performance (unaudited)

Financial services

RMI's contribution to Remgro's headline earnings decreased by 48.4% to R599 million (2019: R1 161 million). On a normalised basis, which excludes certain anomalies (*inter alia* the effect of material interest rate volatility in South Africa and the United Kingdom, resulting in a substantial negative effect on discounted cash flow valuations and earnings at Discovery Life), RMI reported a decrease of 24.4% in earnings mainly due to lower earnings by Discovery Holdings Limited (Discovery) (down by 25.6%) and Momentum Metropolitan Holdings Limited (Momentum Metropolitan) (down by 50.5%). Both Discovery and Momentum Metropolitan raised significant provisions for future claims and lapses as a result of the Covid-19 pandemic. The earnings of OUTsurance Holdings Limited (OUTsurance) and Hastings Group Holdings plc decreased by 7.2% and 11.4%, respectively. OUTsurance's decrease is mainly due to unrealised investment losses on its equity portfolio, the impact of the bushfires and natural catastrophes in Australia and business interruption claims.

The headline earnings contribution from FirstRand and RMH amounted to R657 million and R1 430 million (2019: R1 093 million and R2 644 million), respectively. As result of the RMH Unbundling and FirstRand Reclassification, RMH was equity accounted for the nine months to 31 March 2020 (2019: twelve months to 30 June 2019) and FirstRand was equity accounted until 8 June 2020, respectively.

For the twelve months to 30 June 2020, FirstRand reported a decrease in headline earnings of 37.9%. On a normalised basis, which excludes certain non-operational and accounting anomalies, and is a better reflection of underlying performance, FirstRand reported a decrease in earnings of 38.1%. The main driver of this decline in earnings is the materially higher than expected credit provisions and credit impairment charge, driven by the forward-looking economic assumptions required under *IFRS 9*. As a result of the impact of Covid-19, FirstRand reported a significant increase in credit provisioning levels of R15 billion for the year ended 30 June 2020 (2019: R5 billion increase). Whilst the credit impairment charge of R24 billion (2019: R11 billion) represents the most significant driver of the decline in earnings, further pressures include the negative endowment impact as a result of interest rate cuts and margin pressure, subdued non-interest revenue growth due to lower absolute volumes during the lockdown period, and depressed new business origination. In addition, FirstRand has conservatively provided for a sharp increase in retrenchment claims as well as elevated death claims in its insurance business, taking account of the latest epidemiological and economic outlooks.

Healthcare

Mediclinic's contribution to Remgro's headline earnings amounted to R1 655 million (2019: R1 693 million), representing a decrease of 2.2%. Mediclinic uses adjusted earnings, which removes volatility associated with certain types of exceptional income and charges, in evaluating performance and as a method to provide its shareholders with clear and consistent reporting. For the year under review the main difference between adjusted earnings and headline earnings related to a tax credit in respect of a reduction in Swiss statutory tax rates, whereas the comparative year included a tax credit in respect of Hirslanden properties. Furthermore, Mediclinic adopted *IFRS 16: Leases* during the period under review and, for comparative purposes, also presented its results on a pre-*IFRS 16* basis. Remgro's portion of Mediclinic's pre-*IFRS 16* adjusted earnings amounted to R1 521 million (2019: R1 591 million), representing a decrease of 4.4%.

In British pound terms, Mediclinic reported a decrease in pre-*IFRS 16* adjusted earnings of 8.1%, reflecting the weakening of the average SA rand exchange rate against the British pound. This decrease is mainly due to the effect of the Covid-19 pandemic in March 2020 and increased depreciation charges associated with infrastructure and technology investments, partly offset by an increase of 5.2% in revenue, reflecting balanced organic growth and incremental acquisitions. Mediclinic's performance was in line with expectations despite the sudden impact of Covid-19 on March patient volumes. All three divisions (Switzerland, Southern Africa and the Middle East) were affected in March 2020, typically Mediclinic's strongest month, by the onset of the pandemic. Hirslanden continued to make excellent progress in adapting the business to the regulatory changes affecting the Swiss healthcare system and growing across the continuum of care. It has continued to implement its day case clinic strategy which focuses on a conveniently located, more efficient, lower-cost service delivery model.

All three divisions implemented Covid-19 lockdown measures during March 2020, which included the suspension of elective procedures. Since the relaxing of these measures during the quarter ended 30 June 2020, patient volumes and occupancy have gradually improved.

GROUP FINANCIAL REVIEW (continued)

Consumer products

The contribution from consumer products to Remgro's headline earnings amounted to R545 million (2019: R918 million), representing a decrease of 40.6%.

RCL Foods' contribution to Remgro's headline earnings decreased by 63.8% to R92 million (2019: R254 million). RCL Foods' headline earnings was materially impacted by the Covid-19 pandemic and national lockdown in the last quarter of the year under review. RCL Foods' Chicken and Vector Logistics businesses have been impacted the most by the lockdown, largely due to the closing of Quick Service Restaurants (QSRs). This resulted in considerable revenue loss in what are largely fixed cost businesses, significantly higher stock holding of chicken and an increase in associated costs. Vector Logistics also incurred additional costs to service the take-on of Imperial Logistics' cold chain business, thereby becoming the largest frozen logistics player in South Africa. Beverages and Pies' predominantly on-the-go consumption also suffered, somewhat countered by increasing volumes across the rest of the portfolio. RCL Foods' direct cost impact of Covid-19 to date in terms of additional costs, amounted to R267 million. Sugar has delivered a significant improvement in profitability. The implementation of the Health Promotion Levy (sugar tax) has brought about substantial and permanent reduction in industrial demand. However, retail demand improved significantly during the year. Lower imports also contributed to a successful shift in sales mix, weighted towards higher priced local sales.

Distell's contribution to headline earnings amounted to R165 million (2019: R459 million), representing a decrease of 64.1%. Distell discloses normalised earnings, adjusted for abnormal transactions and currency movements, to indicate its businesses' performance. These abnormal transactions included retrenchment and restructuring costs, as well as credit loss provisions relating to USD denominated savings bonds with the Reserve Bank of Zimbabwe. Distell reported a decrease in normalised earnings of 74.0%, mainly due to a decrease of 14.6% in revenue to R22.4 billion on 22.5% lower volumes, resulting from the Covid-19 restrictions. Domestic revenue decreased by 18.2% while volumes declined by 25.5% and in other African markets revenue decreased by 3.0% while volumes declined by 14.7%, mainly due to a 19.1% decline in volumes in BLNE countries. Revenue in international markets outside Africa decreased by 8.8% while volumes declined by 13.1%. The expected credit losses on trade and other receivables increased by R69 million and the provision for obsolete and slow-moving inventory increased by R124 million, due to the alcohol sales ban, as certain products have a limited shelf life. In addition to Distell's contribution, Remgro also accounted for amortisation and depreciation charges of R47 million (2019: R47 million) relating to the additional assets identified when Remgro obtained control over Distell on 11 May 2018.

The headline earnings contribution from Siqalo Foods amounted to R414 million (2019: R332 million), representing an increase of 24.7%. In terms of a transition agreement with Unilever, Siqalo Foods received an after tax finalisation amount of R31 million from Unilever. Excluding the finalisation amount, Siqalo Foods' contribution to headline earnings increased from R332 million to R383 million (or 15.4%) mainly due to higher sales price realisations and lower overheads, partly offset by a decrease in volumes. In addition to Siqalo Foods' contribution, Remgro also accounted for amortisation and depreciation charges of R79 million (2019: R80 million) relating to the additional assets identified when Remgro obtained control over Siqalo Foods on 2 July 2018.

Industrial

Air Products' contribution to Remgro's headline earnings decreased by 2.9% to R333 million (2019: R343 million). This decrease is mainly due to difficult trading conditions with subdued demand in most sectors of the business and pressure on pricing.

Total's contribution to Remgro's headline earnings amounted to a loss of R20 million (2019: profit of R328 million). Included in the contribution to headline earnings for the year under review are unfavourable stock revaluations amounting to R229 million (2019: unfavourable stock revaluations amounting to R1 million). These revaluations are the result of the volatility in the Brent Crude price and the rand exchange rate. Excluding these revaluations, the contribution decreased by 36.5% from R329 million to R209 million. This decrease is mainly due to the impact of the Covid-19 lockdown, which resulted in a significant drop in volumes in the retail network, mining and commercial sectors, as well as the closure of the Natref refinery during lockdown.

KTH's contribution to headline earnings amounted to a loss of R164 million (2019: profit of R161 million). This decrease is mainly due to negative fair value adjustments on its investment in Actom Investments Holdings Proprietary Limited of R260 million (2019: positive fair value adjustments of R132 million), as well as lower equity accounted income from its investment in Momentum Metropolitan.

GROUP FINANCIAL REVIEW (continued)

Industrial (continued)

Wispeco Holdings Proprietary Limited's (Wispeco) contribution to headline earnings amounted to R80 million (2019: R121 million), while PGSI Limited (PGSI) contributed a loss of R126 million to Remgro's headline earnings (2019: a loss of R9 million). Both investees were materially affected by the Covid-19 pandemic and various levels of lockdown from 27 March 2020. Although operations commenced from the beginning of May 2020, demand was subdued for the rest of the financial year.

Infrastructure

CIVH's contribution to Remgro's headline earnings amounted to a loss of R649 million (2019: loss of R204 million). This decrease is mainly due to significant transaction and funding costs incurred relating to the acquisition of a further 65.1% stake in Vumatel Proprietary Limited (Vumatel) during May 2019, as well as additional losses (ten months) accounted for Vumatel due to the interest acquired. CIVH's results were also negatively impacted by prudent credit provision due to the uncertainties created by the Covid-19 pandemic. Despite the increase in losses, Dark Fibre Africa Proprietary Limited's (DFA) revenue increased by 5.0%, as its annuity income grew to in excess of R179 million per month at 31 March 2020 (31 March 2019: R159 million). DFA's contribution was negatively impacted by higher depreciation and finance costs as a result of the expanding network. Vumatel's revenue increased by 80.0% to R1.5 billion compared to the prior year, driven by accumulated subscriber uptake growth. However, its results were also negatively impacted by higher depreciation and finance costs driven by the expanding network.

Grindrod Limited's (Grindrod) contribution to Remgro's headline earnings amounted to a loss of R12 million (2019: profit of R72 million). The decrease is mainly due to negative fair value adjustments on Grindrod's private equity portfolio (accounted for as a discontinued operation) and a mark-to-market loss on Grindrod Shipping Holdings Limited (Grindrod Shipping) shares (which are being accounted for through the consolidation of Grindrod's BBBEE structure). Grindrod's trading profit from continuing operations had a resilient performance despite the negative impact of the Covid-19 pandemic.

Grindrod Shipping's contribution to Remgro's headline earnings amounted to a loss of R46 million (2019: loss of R65 million). The improvement in Grindrod Shipping's results is mainly due to higher tanker earnings and a foreign exchange profit on an intercompany loan (compared to losses in the comparative period). This was partly offset by weaker rates in the drybulk business, as well as higher net interest expenses.

SEACOM Capital Limited's (SEACOM) contribution to headline earnings amounted to a loss of R10 million (2019: a loss of R2 million).

Media and sport

Media and sport primarily consist of the interests in eMedia Investments Proprietary Limited (eMedia Investments) and various sport interests, including an interest in the Blue Bulls rugby franchise and Stellenbosch Academy of Sport Proprietary Limited.

eMedia Investments' contribution to Remgro's headline earnings increased to R78 million (2019: R39 million). This increase is mainly due to an increase in advertising revenue, assisted by an increase in market share, despite the tough economic environment and difficult trading conditions in the advertising market. eMedia Investments continues to invest into the multi-channel business (Openview and e.tv multi-channel) with Openview set-top box activations growing at an average of approximately 35 000 per month. The set-top boxes were in excess of 2.0 million at 30 June 2020 (30 June 2019: 1.7 million). The investment into the multi-channel business decreased from R330 million to R283 million mainly due to the reduction in subsidy costs, as well as increased revenue due to increased market share.

Other investments

The contribution from other investments to headline earnings amounted to a loss of R66 million (2019: profit of R39 million). This decrease is mainly due to the equity accounted losses of Bos Brands Proprietary Limited (Bos Brands) amounting to R85 million (2019: losses of R61 million), as well as a lower contribution from Business Partners Limited of R25 million (2019: R65 million), mainly due to higher credit loss provisions resulting from the negative impact of the Covid-19 pandemic on its SME client base.

GROUP FINANCIAL REVIEW (continued)

Central treasury and other net corporate costs

Finance income amounted to R479 million (2019: R755 million). This decrease is mainly due to lower local interest earned, resulting from local cash being expatriated during May 2019 (£100 million) and August 2019 (£70 million), as well as the 250 basis points reduction in the South African repo rate, announced since March 2020. Finance costs amounted to R951 million (2019: R823 million). The positive fair value adjustment of R2 million (2019: R112 million) relates to the decrease in the value of the bondholders' exchange option of the exchangeable bonds.

Other net corporate costs amounted to R667 million (2019: R187 million). This increase is mainly due to the Sukuma donation amounting to R500 million.

EARNINGS

Total earnings decreased by 9.2% to R6 646 million (2019: R7 319 million). It should be noted that apart from the decrease in headline earnings discussed above (down by R5 028 million), earnings includes other once-off items, which cause comparability of earnings to be challenging. These are:

- the accounting profit realised on the RMH Unbundling and FirstRand Reclassification totaling R11 588 million (2019: profit realised on the Unilever disposal of R8 318 million);
- Remgro's portion of the impairment of Mediclinic's assets in Switzerland and the Middle East and its investment in Spire Healthcare Group plc (Spire) of R4 330 million (2019: R2 873 million);
- the impairment of goodwill of R1 809 million relating to Remgro's investment in Distell (2019: R888 million relating to Remgro's investment in Siqalo Foods);
- Remgro's portion of the impairments of RCL Foods' underlying divisions of R970 million (2019: R428 million);
- the impairment of Remgro's investments in Mediclinic (R3 898 million) and PGSI (R378 million) in the 2019 financial year;
- the impairment of Remgro's investments in Grindrod of R596 million (2019: R300 million) and Grindrod Shipping of R112 million (2019: R277 million); and
- Remgro's portion of the gain on bargain purchase of R191 million arising from RCL Foods' take-on of Imperial Logistics.

INTRINSIC NET ASSET VALUE

Remgro's intrinsic net asset value per share decreased by 33.7% from R233.03 at 30 June 2019 to R154.47 at 30 June 2020. The decrease reflects the impact of the RMH Unbundling and the negative impact of the Covid-19 pandemic on market values (listeds) and fair values (unlisteds) of underlying investee companies. The closing share price at 30 June 2020 was R99.90 (2019: R187.90) representing a discount of 35.3% (2019: 19.4%) to the intrinsic net asset value. Refer to page 13 for full details.

INVESTMENT ACTIVITIES

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

FirstRand and RMH

On 19 November 2019, Remgro announced its intention to pursue the distribution to shareholders, in full or in part, of Remgro's exposure to FirstRand and RMH. In parallel with this, RMH announced that it had made the strategic decision to restructure the RMH portfolio of assets and liabilities, which would include the distribution of its shareholding in FirstRand to its shareholders (FirstRand Unbundling).

However, on 31 March 2020 Remgro announced that it will proceed with the full distribution of its 28.2% interest in RMH (RMH Unbundling) and during April 2020 a detailed terms announcement was distributed to shareholders. Remgro's investment in RMH was previously classified as an associate and accounted for using the equity method. With effect from 31 March 2020 the investment met the criteria to be classified as a disposal group under *IFRS 5* and was classified as a non-current asset held for distribution. On 8 June 2020 Remgro distributed 397 447 747 ordinary shares in RMH to shareholders in the ratio of 0.69939 RMH ordinary shares for every 1 Remgro share held. The market value of the interim dividend *in specie* amounted to R23 855 million and an accounting profit of R7 360 million was realised on the distribution.

GROUP FINANCIAL REVIEW (continued)

INVESTMENT ACTIVITIES (continued)

FirstRand and RMH (continued)

On 31 March 2020 Remgro also announced that it will retain its 3.9% direct interest in FirstRand (being 219 828 140 FirstRand ordinary shares). Remgro's investment in FirstRand was previously classified as an associate and accounted for using the equity method. With effect from 8 June 2020 Remgro ceased to have significant influence over FirstRand, due to among others the RMH Unbundling, and the investment was classified as a financial asset at fair value through other comprehensive income. In future only dividend income will be accounted for FirstRand in the income statement. The market value of the investment on that date amounted to R9 927 million and an accounting profit of R4 228 million was realised on the reclassification of the investment.

With the RMH Unbundling, Remgro's investment view on its 3.9% stake in FirstRand has changed, and the stake is now viewed as a portfolio investment. In line with this view it was decided to enter into a hedging transaction on part of this stake, whilst still maintaining full downside risk and upside potential on the majority of the stake. Remgro entered into a zero cost collar hedging transaction with Nedbank Limited (Nedbank) during June 2020 for 60 000 000 of the FirstRand shares that it owns. At the same time, Remgro entered into a script lending transaction with Nedbank to optimise the pricing of the zero cost collar. Remgro will be allowed to vote these shares at the FirstRand Annual General Meeting and is entitled to any dividends declared. However, all dividends received on FirstRand shares for which Nedbank holds a direct or indirect short position for the purpose of hedging its exposure under the zero cost collar (to maximum of 60 000 000 FirstRand shares), will be transferred to Nedbank. The reference price of the zero cost collar is R40.51 and it expires in two years. The strike prices vary between R36.46 and R51.97 on the put options and call options, respectively. These FirstRand shares are hedged on a 1:1 basis and the zero cost collar is recognised at fair value with changes in the fair value accounted for in other comprehensive income. The zero cost collar was valued as an asset at R101 million on 30 June 2020.

On 8 June 2020, 3 297 213 Remgro ordinary shares were held as treasury shares. As a result of the RMH Unbundling, Remgro received 2 306 037 RMH ordinary shares, which also qualified Remgro to receive 3 025 266 FirstRand ordinary shares on 29 June 2020 as a result of the FirstRand Unbundling. Both these investments were classified as financial assets at fair value through other comprehensive income and only dividend income will in the future be accounted for in the income statement.

Milestone China Funds

During the year under review, Remgro invested a further $2 million in Milestone China Opportunities Fund III (Milestone III) and received distributions of $46 million, thereby increasing its cumulative investment to $100 million and cumulative distributions received to $71 million. As at 30 June 2020 the fair value of Remgro's investment in Milestone III amounted to $72 million.

During the prior year Remgro received JHL Biotech, Inc. bonds (JHL bonds), valued at $10 million, from its disposal of its investment in Milestone Capital Strategic Holdings Limited. The JHL bonds were redeemed during January 2020 for a total consideration of $12 million.

CIVH

During the 2019 financial year Remgro advanced a loan amounting to R100 million to CIVH and earned underwriting fees of R58 million on a CIVH rights issue. As previously reported, the loan and outstanding amount of the underwriting fee would be converted to CIVH shares. On 31 March 2020 Remgro invested a further R167 million in CIVH in exchange for the loan and outstanding underwriting fee, which marginally increased Remgro's interest in CIVH to 54.7% (2019: 54.4%).

RCL Foods

During June 2020 Remgro acquired a further 10 573 857 RCL Foods shares for a total amount of R100 million. At 30 June 2020 Remgro's effective interest in RCL Foods was 77.1% (2019: 77.5%).

Pembani Remgro Infrastructure Fund (PRIF)

During the year under review Remgro invested a further R62 million in PRIF, thereby increasing its cumulative investment to R372 million. As at 30 June 2020 the fair value of Remgro's investment in PRIF amounted to R341 million and remaining commitment to PRIF amounted to R278 million.

Invenfin Proprietary Limited (Invenfin)

During the year under review Invenfin (a wholly owned subsidiary of Remgro) invested a further R103 million in Bos Brands.

GROUP FINANCIAL REVIEW (continued)

INVESTMENT ACTIVITIES (continued)

Other
Other smaller investments amounted to R180 million.

Events after year-end

Distell
On 12 July 2020 the South African government announced new measures to curb the spread of Covid-19. These measures included a ban on the sale of alcoholic beverages, which was lifted again from 18 August 2020 when Distell was allowed to trade again. Distell was still allowed to manufacture products in South Africa during the ban on the sale of alcohol and to continue with its normal export activities. Other major territories in which Distell operates have not been impacted to this extent and was able to trade mostly normally in line with general economic constraints in the various territories. Distell evaluated the adverse consequences of the alcohol ban on its liquidity forecast and concluded that it remains a going concern.

Other than the above-mentioned events, there were no other significant events subsequent to 30 June 2020.

TREASURY SHARES

At 30 June 2019, 3 334 936 Remgro ordinary shares (0.6%) were held as treasury shares by a wholly owned subsidiary of Remgro. As previously reported, these shares were acquired for the purpose of hedging Remgro's share incentive schemes.

During the year under review 37 723 Remgro ordinary shares were utilised to settle Remgro's obligation towards scheme participants.

At 30 June 2020, 3 297 213 Remgro ordinary shares (0.6%) were held as treasury shares.

CASH RESOURCES AT THE CENTRE

The Company's cash resources at 30 June 2020 were as follows:

	30 June 2020			30 June 2019
R million	**Local**	**Offshore**	**Total**	
Per consolidated statement of financial position	4 313	11 318	15 631	12 662
Investment in money market funds	4 945	-	4 945	5 175
Less: Cash of operating subsidiaries	(2 553)	(950)	(3 503)	(2 110)
Cash at the centre	6 705	10 368	17 073	15 727

On 30 June 2020, approximately 25% (R4 350 million) of the available cash at the centre was invested in money market funds which are not classified as cash and cash equivalents on the statement of financial position.

REPORTS OF THE INDEPENDENT AUDITOR

The Company's directors are responsible for the preparation of a summary of the audited consolidated financial statements.

These summary consolidated financial statements for the year ended 30 June 2020 have been audited by PricewaterhouseCoopers Inc., who expressed an unmodified opinion thereon. The auditor also expressed an unmodified opinion on the annual financial statements from which these summary consolidated financial statements were derived.

REPORTS OF THE INDEPENDENT AUDITOR (continued)

A copy of the auditor's report on the summary consolidated financial statements and of the auditor's report on the annual consolidated financial statements are available for inspection at the Company's registered office, together with the financial statements identified in the respective auditor's reports.

The auditor's report does not necessarily report on all of the information contained in this announcement/financial results. Shareholders are therefore advised that in order to obtain a full understanding of the nature of the auditor's engagement they should obtain a copy of the auditor's report together with the accompanying financial information from the registered office of the Company or on the Company's website at www.remgro.com.

DECLARATION OF CASH DIVIDEND

Declaration of Dividend No. 40

Notice is hereby given that a final gross dividend of 50 cents (2019: 349 cents) per share has been declared out of income reserves in respect of both the ordinary shares of no par value and the unlisted B ordinary shares of no par value, for the year ended 30 June 2020. The final dividend was adjusted downwards to take into account the RMH Unbundling and the impact of the Covid-19 pandemic.

A dividend withholding tax of 20% or 10 cents per share will be applicable, resulting in a net dividend of 40 cents per share, unless the shareholder concerned is exempt from paying dividend withholding tax or is entitled to a reduced rate in terms of an applicable double-tax agreement.

The total gross dividend per share for the year ended 30 June 2020 therefore amounts to 265 cents, compared to 564 cents for the year ended 30 June 2019.

The issued share capital at the declaration date is 529 217 007 ordinary shares and 39 056 987 B ordinary shares. The income tax number of the Company is 9500-124-71-5.

Dates of importance:

Last day to trade in order to participate in the dividend	Tuesday, 10 November 2020
Shares trade ex dividend	Wednesday, 11 November 2020
Record date	Friday, 13 November 2020
Payment date	Monday, 16 November 2020

Share certificates may not be dematerialised or rematerialised between Wednesday, 11 November 2020, and Friday, 13 November 2020, both days inclusive.

In terms of the Company's Memorandum of Incorporation, dividends will only be transferred electronically to the bank accounts of shareholders, while dividend cheques are no longer issued. In the instance where shareholders do not provide the Transfer Secretaries with their banking details, the dividend will not be forfeited, but will be marked as "unclaimed" in the share register until the shareholder provides the Transfer Secretaries with the relevant banking details for payout.

Signed on behalf of the Board of Directors.

Johann Rupert
Chairman

Jannie Durand
Chief Executive Officer

Stellenbosch
28 September 2020

COMPOSITION OF TOTAL HEADLINE EARNINGS (audited)

R million		Year ended 30 June 2020	% Change	Year ended 30 June 2019
Financial services[1]				
RMI		599	*(48.4)*	1 161
FirstRand		657	*(39.9)*	1 093
RMH		1 430	*(45.9)*	2 644
Healthcare				
Mediclinic		1 655	*(2.2)*	1 693
Consumer products				
RCL Foods		92	*(63.8)*	254
Distell	- entity contribution	165	*(64.1)*	459
	- *IFRS 3* charge[2]	(47)	-	(47)
Siqalo Foods	- entity contribution	414	*24.7*	332
	- *IFRS 3* charge[2]	(79)	*1.3*	(80)
Industrial				
Air Products		333	*(2.9)*	343
Total		(20)	*(106.1)*	328
KTH		(164)	*(201.9)*	161
Wispeco		80	*(33.9)*	121
PGSI		(126)	*(1 300.0)*	(9)
Infrastructure				
CIVH		(649)	*(218.1)*	(204)
Grindrod		(12)	*(116.7)*	72
Grindrod Shipping		(46)	*29.2*	(65)
SEACOM		(10)	*(400.0)*	(2)
Other infrastructure interests		1	*(96.0)*	25
Media and sport				
eMedia Investments		78	*100.0*	39
Other media and sport interests		19	*200.0*	(19)
Other investments		(66)	*(269.2)*	39
Central treasury				
Finance income		479	*(36.6)*	755
Finance costs		(951)	*(15.6)*	(823)
Option remeasurement		2	*(98.2)*	112
Other net corporate costs		(667)	*(256.7)*	(187)
Total headline earnings		3 167	*(61.4)*	8 195
Weighted number of shares (million)		565.0	*(0.1)*	565.6
Total headline earnings per share (cents)		560.6	*(61.3)*	1 448.9

1. *Refer to the change in reporting platforms on page 4.*
2. *IFRS 3 charge represents the amortisation and depreciation expenses, net of tax, relating to the additional assets identified when Remgro obtained control over these entities.*

COMPOSITION OF INTRINSIC NET ASSET VALUE (audited)

R million	30 June 2020 Book value	30 June 2020 Intrinsic value[1]	30 June 2019 Book value	30 June 2019 Intrinsic value[1]
Financial services[2]				
RMI	9 736	13 708	9 335	15 947
FirstRand[3]	7 068	7 068	5 825	15 069
RMH	-	-	16 245	33 545
Healthcare				
Mediclinic[4]	27 443	18 769	24 019	17 891
Consumer products				
RCL Foods[4]	7 189	6 029	7 968	7 960
Distell[4]	7 128	5 330	9 055	9 060
Siqalo Foods[4]	6 285	6 145	6 164	6 164
Industrial				
Air Products	1 264	3 979	1 093	4 264
Total	2 029	2 515	2 174	2 722
KTH	1 601	1 961	1 816	2 127
Wispeco[4]	1 008	810	933	866
PGSI	205	309	302	302
Infrastructure				
CIVH	4 458	10 584	5 064	8 403
Grindrod	532	532	1 049	1 049
Grindrod Shipping	208	208	292	292
SEACOM	8	909	-	912
Other infrastructure interests	370	376	259	259
Media and sport				
eMedia Investments	805	947	773	773
Other media and sport interests	321	321	269	267
Other investments	4 400	4 439	4 620	4 795
Central treasury				
Cash at the centre[5]	17 073	17 073	15 727	15 727
Debt at the centre	(15 288)	(15 288)	(13 919)	(13 919)
Other net corporate assets	2 930	3 599	2 034	2 499
Intrinsic net asset value (INAV)	86 773	90 323	101 097	136 974
Potential CGT liability[6]		(3 050)		(5 327)
INAV after tax	86 773	87 273	101 097	131 647
Issued shares after deduction of shares repurchased (million)	565.0	565.0	564.9	564.9
INAV after tax per share (Rand)	153.59	154.47	178.95	233.03
Remgro share price (Rand)		99.90		187.90
Percentage discount to INAV		35.3		19.4

1. *For purposes of determining the intrinsic net asset value, the unlisted investments are shown at IFRS 13 valuations and the listed investments are shown at stock exchange prices.*
2. *Refer to the change in reporting platforms on page 4.*
3. *On 8 June 2020 the investment in FirstRand was reclassified from an associate investment to an investment at fair value through other comprehensive income. The 30 June 2020 intrinsic value for FirstRand includes the investment at market value, deferred capital gains tax (CGT) on the investment and the zero cost collar hedge on 60 000 000 FirstRand shares.*
4. *Remgro determined the recoverable amounts for Mediclinic, RCL Foods, Distell, Siqalo Foods and Wispeco which are in excess of the investments' carrying values.*
5. *Cash at the centre excludes cash held by subsidiaries that are separately valued above (mainly RCL Foods, Distell, Siqalo Foods and Wispeco).*
6. *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. Apart from FirstRand, the deferred CGT on investments at fair value through other comprehensive income is included in "other net corporate assets" above.*

Remgro Limited

GROUP FINANCIAL STATEMENTS

SUMMARY CONSOLIDATED STATEMENT OF FINANCIAL POSITION

R million	30 June 2020[1]	30 June 2019
ASSETS		
Non-current assets		
Property, plant and equipment	16 845	14 541
Investment properties	109	119
Intangible assets	21 067	24 024
Investments - Equity accounted	50 991	71 183
- Financial assets at fair value through other comprehensive income (FVOCI)[2]	12 505	3 727
Financial assets at fair value through profit and loss (FVPL)	309	147
Hedge derivatives	101	-
Retirement benefits	868	748
Long-term loans and debtors	181	311
Deferred taxation	190	199
	103 166	114 999
Current assets	43 933	40 539
Inventories	12 032	12 034
Biological agricultural assets	805	866
Debtors and short-term loans	9 958	9 543
Financial assets at FVPL	11	148
Taxation	258	108
Investment in money market funds	4 945	5 175
Cash and cash equivalents	15 631	12 662
	43 640	40 536
Assets held for sale	293	3
Total assets	147 099	155 538
EQUITY AND LIABILITIES		
Stated capital	13 416	13 416
Reserves	73 921	88 251
Treasury shares	(564)	(570)
Shareholders' equity	86 773	101 097
Non-controlling interest	14 670	15 092
Total equity	101 443	116 189
Non-current liabilities	23 139	26 770
Retirement benefits	141	186
Long-term loans	15 167	21 020
Lease liabilities	1 725	-
Deferred taxation	6 106	5 563
Financial liability at FVPL	-	1
Current liabilities	22 517	12 579
Trade and other payables	11 616	11 106
Short-term loans[3]	10 158	1 376
Lease liabilities	310	-
Financial liabilities at FVPL	279	54
Taxation	154	43
Total equity and liabilities	147 099	155 538
Net asset value per share (Rand)[4]		
- At book value	R153.59	R178.95
- At intrinsic value	R154.47	R233.03

1. *Refer to "Change in accounting policies" under "Additional information" for the impact of the implementation of new accounting standards.*
2. *With effect from 8 June 2020 Remgro ceased to have significant influence over FirstRand, due to among others the RMH Unbundling, and the investment was reclassified from an equity accounted investment to an investment at FVOCI.*
3. *As the exchangeable bonds of £350 million has a maturity date of 22 March 2021, they were classified as short-term loans during the 2020 financial year.*
4. *Decrease reflects the RMH Unbundling and negative impact of Covid-19 on market values (listeds) and fair values (unlisteds) of underlying investee companies.*

GROUP FINANCIAL STATEMENTS (continued)

SUMMARY CONSOLIDATED INCOME STATEMENT

R million	Year ended 30 June 2020	2019
CONTINUING OPERATIONS		
Revenue	54 732	56 968
Inventory expenses	(32 291)	(33 606)
Staff costs	(8 451)	(8 576)
Depreciation	(1 682)	(1 303)
Other net operating expenses	(10 763)	(10 205)
Trading profit	1 545	3 278
Dividend income	45	78
Interest received	862	1 268
Fair value adjustment on exchangeable bonds' option	2	112
Finance costs	(1 876)	(1 477)
Net impairment of investments, assets and goodwill	(4 234)	(7 218)
Loss allowances on loans	(290)	(274)
Bargain purchase gain	278	-
Profit on sale and dilution of investments	4 220	137
Consolidated profit/(loss) before tax	552	(4 096)
Taxation	(452)	(987)
Consolidated profit/(loss) after tax	100	(5 083)
Share of after-tax profit/(loss) of equity accounted investments	(2 272)	1 708
Net loss for the year from continuing operations	(2 172)	(3 375)
DISCONTINUED OPERATIONS[1]		
Profit for the year from discontinued operations	8 755	11 127
Net profit for the year	6 583	7 752
Attributable to:		
Equity holders	6 646	7 319
Continuing operations	(2 109)	(3 808)
Discontinued operations	8 755	11 127
Non-controlling interest	(63)	433
	6 583	7 752

EQUITY ACCOUNTED INVESTMENTS		
Share of after-tax profit/(loss) of equity accounted investments		
Profit before taking into account impairments and non-recurring items	5 176	9 228
Net impairment of investments, assets and goodwill	(4 810)	(3 729)
Profit on the sale of investments	87	521
Recycling of foreign currency translation reserves	-	6
Other headline earnings adjustable items	(21)	11
Profit before tax and non-controlling interest	432	6 037
Taxation	(952)	(1 160)
Non-controlling interest	(358)	(360)
	(878)	4 517
Continuing operations	(2 272)	1 708
Discontinued operations	1 394	2 809

1. *On 31 March 2020 the investment in RMH was transferred from "investment - equity accounted" to "assets held for distribution" (refer to "Investment activities" on page 8). Profit from discontinued operations include the equity accounted income of RMH for both financial years presented, as well as the profit realised on the RMH Unbundling. The prior year also includes the profit realised on the disposal of Unilever.*

GROUP FINANCIAL STATEMENTS (continued)

HEADLINE EARNINGS RECONCILIATION

R million	Year ended 30 June 2020	2019
CONTINUING OPERATIONS		
Net loss for the year attributable to equity holders (earnings)	(2 109)	(3 808)
Impairment of equity accounted investments[1]	930	5 533
Reversal of impairment of equity accounted investments	(73)	-
Impairment of property, plant and equipment	639	757
Reversal of impairment of property, plant and equipment	(2)	(3)
Impairment of investment properties	10	-
Impairment of intangible and other assets[2]	2 730	931
Bargain purchase gain	(278)	-
Profit on sale and dilution of equity accounted investments[3]	(4 241)	(60)
Loss on sale and dilution of equity accounted investments	21	16
Profit on disposal of property, plant and equipment	(56)	(208)
Loss on disposal of property, plant and equipment	18	39
Recycling of foreign currency translation reserves	-	(90)
Non-headline earnings items included in equity accounted earnings of equity accounted investments	4 725	3 427
- Loss on disposal of property, plant and equipment	16	12
- Profit on sale of investments	(130)	(250)
- Loss on sale of investments	8	16
- Impairment of investments, assets and goodwill[4]	4 810	3 666
- Recycling of foreign currency translation reserves	-	(6)
- Other headline earnings adjustable items	21	(11)
Taxation effect of adjustments	(204)	(514)
Non-controlling interest	(373)	(469)
Headline earnings from continuing operations	1 737	5 551
DISCONTINUED OPERATIONS		
Net profit for the year attributable to equity holders (earnings)	8 755	11 127
Profit on sale of equity accounted investments[5]	(7 360)	(8 318)
Non-headline earnings items included in equity accounted earnings of equity accounted investments	35	(165)
- Profit on disposal of property, plant and equipment	-	(5)
- Loss/(profit) on sale of investments	35	(287)
- Impairment of investments, assets and goodwill	-	63
- Taxation effect of adjustments	-	64
Headline earnings from discontinued operations	1 430	2 644
Total headline earnings from continuing and discontinued operations	3 167	8 195

1. *Refer to "Net impairments of equity accounted investments" under "Additional information" for further detail.*
2. *Refer to "Intangible assets" under "Additional information" for further detail.*
3. *"Profit on sale and dilution of equity accounted investments" for the year under review includes the profit realised on the FirstRand Reclassification of R4 228 million.*
4. *"Impairment of investments, assets and goodwill" from equity accounted investments for the year under review includes Remgro's portion of the impairments of Mediclinic's assets in Switzerland and the Middle East, as well as its investment in Spire of R4 330 million (2019: R2 873 million).*
5. *"Profit on sale of equity accounted investments" for the year under review consists of the profit realised on the RMH Unbundling. The comparative year consists of the profit realised on the disposal of Unilever.*

GROUP FINANCIAL STATEMENTS (continued)

EARNINGS AND DIVIDENDS

Cents	Year ended 30 June 2020	2019
Total headline earnings per share		
– Basic	560.6	1 448.9
Continuing operations	307.5	981.4
Discontinued operations	253.1	467.5
– Diluted	558.4	1 445.9
Continuing operations	305.6	978.8
Discontinued operations	252.8	467.1
Earnings per share		
– Basic	1 176.4	1 294.0
Continuing operations	(373.3)	(673.2)
Discontinued operations	1 549.7	1 967.2
– Diluted	1 173.6	1 292.0
Continuing operations	(373.9)	(673.7)
Discontinued operations	1 547.5	1 965.7
Dividends per share		
Ordinary	265.00	564.00
– Interim	215.00	215.00
– Final	50.00	349.00

NUMBER OF SHARES

	30 June 2020	2019
Ordinary shares of no par value	529 217 007	529 217 007
Unlisted B ordinary shares of no par value	39 056 987	39 056 987
Total number of shares in issue	568 273 994	568 273 994
Number of shares held in treasury		
Ordinary shares repurchased and held in treasury	(3 297 213)	(3 334 936)
	564 976 781	564 939 058
Weighted number of shares	564 961 299	565 619 396

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

GROUP FINANCIAL STATEMENTS (continued)

SUMMARY CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

R million	Year ended 30 June 2020	2019
Net profit for the year	6 583	7 752
Other comprehensive income, net of tax	6 554	55
Items that may be reclassified subsequently to the income statement:		
Exchange rate adjustments	6 880	(377)
Fair value adjustments for the year	(3)	(25)
Deferred taxation on fair value adjustments	6	7
Reclassification of other comprehensive income to the income statement	(1 073)	(90)
Other comprehensive income of equity accounted investments	2 671	1 232
Items that will not be reclassified to the income statement:		
Fair value adjustments for the year	(1 210)	206
Deferred taxation on fair value adjustments	(668)	57
Remeasurement of post-employment benefit obligations	133	23
Deferred taxation on remeasurement of post-employment benefit obligations	(37)	(7)
Change in reserves of equity accounted investments	(145)	(971)
Total comprehensive income for the year	13 137	7 807
Total comprehensive income attributable to:		
Equity holders	12 900	7 423
Non-controlling interest	237	384
	13 137	7 807

SUMMARY CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

R million	Year ended 30 June 2020	2019
Balance at the beginning of the year	116 189	112 330
Change in accounting policies[1]	(323)	-
Restated balance at the beginning of the year	115 866	112 330
Total comprehensive income for the year	13 137	7 807
Dividends paid	(3 883)	(3 759)
Dividends *in specie*	(23 716)	-
Transactions with non-controlling shareholders	58	(9)
Other movements	(25)	11
Long-term share incentive scheme reserve	6	205
Purchase of treasury shares by wholly owned subsidiary	-	(396)
Balance at the end of the year	101 443	116 189

1. *Refer to "Change in accounting policies" on page 20 for the impact of the implementation of new accounting standards.*

GROUP FINANCIAL STATEMENTS (continued)

SUMMARY CONSOLIDATED STATEMENT OF CASH FLOWS

R million	Year ended 30 June 2020	2019
Cash flows – operating activities		
Cash generated from operations	4 340	4 372
Interest received	777	1 256
Taxation paid	(772)	(1 217)
Dividends received[1]	2 984	3 381
Finance costs	(1 592)	(1 492)
Cash available from operating activities	5 737	6 300
Dividends paid	(3 883)	(3 759)
Cash inflow from operating activities	1 854	2 541
Cash flows – investing activities		
Investment in property, plant and equipment and other assets	(2 467)	(2 636)
Proceeds on disposal of property, plant and equipment and intangible assets	131	69
Proceeds on disposal of assets held for sale[2]	10	5 084
Businesses acquired	110	(61)
Proceeds on disposal of investments and loans	925	1 004
Additions to investments and loans[3]	(417)	(4 484)
Investment in money market funds	(2 275)	(1 179)
Withdrawal of money market funds	2 505	-
Cash outflow from investing activities	(1 478)	(2 203)
Cash flows – financing activities		
Loans repaid	(11)	(600)
Lease payments	(406)	-
Purchase of treasury shares	-	(396)
Other movements	166	180
Cash outflow from financing activities	(251)	(816)
Net increase/(decrease) in cash and cash equivalents	125	(478)
Exchange rate profit on foreign cash	1 549	38
Cash and cash equivalents at the beginning of the year	11 545	11 985
Cash and cash equivalents at the end of the year	13 219	11 545
Cash and cash equivalents – per statement of financial position	15 631	12 662
Bank overdraft	(2 412)	(1 117)

1. *The dividend received from RMI in the comparative year in respect of the reinvestment alternative amounting to R300 million was not included in "Dividends received" and "Additions to investments and loans" for cash flow purposes.*
2. *The comparative year includes the R4 900 million cash received on the disposal of the investment in Unilever.*
3. *The comparative year includes the investments in CIVH and Prescient amounting to R3 683 million.*

GROUP FINANCIAL STATEMENTS (continued)

ADDITIONAL INFORMATION

1. ACCOUNTING POLICIES

The summary consolidated financial statements are prepared in accordance with the requirements of the JSE Limited Listings Requirements for provisional reports, and the requirements of the Companies Act applicable to summary financial statements. The Listings Requirements require provisional reports 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, with the exception of the implementation of *IFRS 16: Leases.* Refer to “Change in accounting policies” for further detail on the implementation of this standard.

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).

2. CHANGE IN ACCOUNTING POLICIES

The Group adopted *IFRS 16: Leases* retrospectively from 1 July 2019, but has not restated comparatives for the 30 June 2019 reporting period as permitted under the specific transition provisions in the standard. The reclassifications and adjustments arising from the new leasing rules are therefore recognised in the opening statement of financial position on 1 July 2019.

On adoption of *IFRS 16*, the Group recognised lease liabilities in relation to leases that had previously been classified as operating leases under the principles of *IAS 17: Leases*. These liabilities were measured at the present value of the remaining lease payments, discounted using the lessee’s incremental borrowing rate at 1 July 2019. The weighted average incremental borrowing rates applied to the lease liabilities on 1 July 2019 were as follows for each major subsidiary:

Distell	**8.7%**
RCL Foods	**8.6%**
Wispeco	**10.0%**

Under *IAS 17*, operating lease payments were expensed on a straight-line basis. Under *IFRS 16*, lease liabilities with corresponding right-of-use assets are recognised. Finance charges are accrued on the lease liabilities and the right-of-use assets are depreciated over their useful lives. Lease repayments are accounted for against the lease liabilities.

A number of transition options are available to lessees under *IFRS 16*. The Group applied the modified retrospective approach where two options are available on a lease-by-lease basis:

- The lease liability is measured at the present value of the remaining lease payments over the period of the lease at the incremental borrowing rate measured at 1 July 2019. The right-of-use asset is measured retrospectively as if *IFRS 16* had always been applied with an adjustment to retained earnings.
- The lease liability is measured at the present value of the remaining lease payments over the period of the lease at the incremental borrowing rate measured at 1 July 2019. The right-of-use asset is measured at an amount equal to the lease liability, adjusted for prepayments.

GROUP FINANCIAL STATEMENTS (continued)

CHANGE IN ACCOUNTING POLICIES (continued)

As allowed under *IFRS 16*, the right-of-use assets were determined to be equal to their respective lease liabilities.

In applying *IFRS 16* for the first time, the Group has used the following practical expedients as permitted by the standard:

- Applying a single discount rate to a portfolio of leases with reasonably similar characteristics;
- Accounting for operating leases with a remaining lease term of less than 12 months at 1 July 2019 as short-term leases;
- Excluding initial direct costs for the measurement of the right-of-use asset at the date of initial application; and
- Using hindsight in determining the lease term where the contract contains options to extend or terminate the lease.

Significant judgements

- The most significant judgements required for the implementation of *IFRS 16* relates to variable rental payments on RCL Foods' contract grower property and equipment, solar panels and sugar cane farms, as well as accounting for leases with extensions and termination options by that subsidiary. These assessments will be reviewed if significant events or changes in circumstances occur. During the current financial period there were no revisions of lease terms resulting from changes in management's assessment of extension or termination options.

The change in accounting policy affected the following items on the statement of financial position on 1 July 2019:

R million	Increase/ (decrease)
Property, plant and equipment	1 474
Debtors and short-term loans	(1)
Trade and other payables	(30)
Lease liabilities	1 705
Long-term loans	(181)
Short-term loans	(21)
Net impact on retained earnings	-

Reconciliation of operating lease commitments disclosed in the 2019 Annual Financial Statements to the lease liability recognised on 1 July 2019:

R million	Increase/ (decrease)
Operating lease commitments disclosed as at 30 June 2019	1 125
Discounted using the lessee's incremental borrowing rate at 1 July 2019	(194)
	931
Less: Short-term leases not recognised as a liability	(41)
Less: Low-value leases not recognised as a liability	(24)
Adjustments as a result of a different treatment of extension and termination options	309
Arrangements containing a lease	126
Finance lease liabilities recognised as at 30 June 2019	202
Contracts reassessed as lease contracts	208
Other	(6)
Lease liabilities recognised as at 1 July 2019	1 705
Of which are:	
Non-current lease liabilities	1 383
Current lease liabilities	322
	1 705

GROUP FINANCIAL STATEMENTS (continued)

CHANGE IN ACCOUNTING POLICIES (continued)

The main contributors to Remgro's adoption of *IFRS 16* were RCL Foods and Distell.

The Group's equity accounted investments also implemented *IFRS 16* on the same basis as stated above. The impact of their adoption of *IFRS 16* on the statement of financial position on 1 July 2019 was as follows:

R million	Decrease
Investments – Equity accounted	323
Equity accounted reserves	323

3. INTANGIBLE ASSETS

R million	30 June 2020	2019
Carrying value at the beginning of the year	24 024	18 427
Additions	149	90
Businesses acquired	8	6 919
Impairments	(2 730)	(927)
Amortisation	(523)	(493)
Foreign exchange translation	132	-
Transfers and other	7	8
Carrying value at the end of the year	21 067	24 024

At 30 June 2020, Remgro recognised an impairment amounting to R1 809 million relating to the goodwill allocated to Distell with the business combination of the Company during May 2018. The Covid-19 national lockdown and accompanying ban on the sale of alcohol had a significant impact on Distell's business. Accordingly, the cash flows forecast in the discounted cash flow model used to determine Distell's value in use was diminished. This resulted in a lower recoverable amount. Revenue and cash flow projections for a five-year period were estimated and reflect management's best view of future earnings. A discount rate of 11.4% and a terminal growth rate of 4.5% were used to determine the value in use.

RCL Foods recognised an impairment on goodwill (R598 million) relating to its Vector (R287 million), Beverages (R123 million), Pies (R114 million) and Speciality (R74 million) business units, including indefinite life intangible assets of R315 million in the Milling business unit. The impairments were due to the negative impact of the Covid-19 pandemic on the global and South African economy. The recoverable amounts of the RCL Foods' cash-generating units (CGU) were based on their value in use.

Remgro recognised no additional impairment on the goodwill allocated to Siqalo Foods (2019: R888 million). The recoverable amount of the investment in Siqalo Foods, that exceeds its carrying value, is its value in use and was determined using the discounted cash flow method. Cash flow projections for a five-year period were estimated and reflect management's best view of future earnings. A discount rate of 12.1% and a terminal growth rate of 5.5% were used.

4. EQUITY ACCOUNTED INVESTMENTS

R million	30 June 2020	2019
Associates	46 347	65 417
Joint ventures	4 644	5 766
	50 991	71 183
Equity accounted investments reconciliation		
Carrying value at the beginning of the year	71 183	72 629
Change in accounting policies[1]	(323)	-
Restated balance at the beginning of the year	70 860	72 629
Share of net attributable profit/(loss)	(878)	4 517
Dividends received	(2 620)	(3 615)
Exchange rate differences	5 527	(472)
Investments made	254	3 252
RMH Unbundling[2]	(17 182)	-
FirstRand Reclassification[3]	(6 061)	-
Dark Fibre Africa loans reclassified to short-term loans	(468)	-
Net impairments	(885)	(5 534)
Equity accounted movements on reserves	2 526	239
Other movements	(82)	167
Carrying value at the end of the year	50 991	71 183

1. *Refer to "Change in accounting policies" on page 20 for the impact of the implementation of new accounting standards.*
2. *On 31 March 2020 the investment in RMH was transferred from "investment - equity accounted" to "assets held for distribution".*
3. *With effect from 8 June 2020 Remgro ceased to have significant influence over FirstRand, due to among others the RMH Unbundling, and the investment was reclassified from an equity accounted investment to an investment at FVOCI.*

R million	30 June 2020	2019
Net impairments of equity accounted investments and loss allowances on loans		
Reversal of impairments/(impairments) were recognised for the following investments:		
Mediclinic (refer below)	-	(3 898)
Best Global Brands Limited (BGB)[1]	(144)	(524)
PGSI	-	(378)
Grindrod[2]	(596)	(300)
Grindrod Shipping[2]	(112)	(277)
Other impairments	(33)	(157)
	(885)	(5 534)

1. *The further significant devaluation of the Angolan kwanza during the year under review has negatively affected the earnings of BGB. The recoverable amount was based on a fair value less cost to sell calculation.*
2. *These investments were impaired to their listed market prices following a significant decline in the share price.*

The listed market value of the investment in Mediclinic was R18 769 million on 30 June 2020 (2019: R17 891 million), which is significantly lower than the carrying value of R27 443 million (2019: R27 917 million) before impairment. Mediclinic reported losses for its year ended 31 March 2020. Accordingly, management assessed for impairment by means of a value in use calculation. 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

Net impairments of equity accounted investments and loss allowances on loans (continued)

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 reflected management's best view of future earnings. The discount and terminal growth rates used for the business segments were as follows:

	Discount rate (%)	Terminal growth rate (%)
South Africa	13.0	4.5
Switzerland	5.0	1.6
Middle East	8.8	3.0

Any increase in the discount rate or decreases in the short-term cash flow projections or terminal growth rate could give rise to further impairment charges in future. The value in use of the investment was R28 776 million on 30 June 2020 and, as a result, no further impairment was recognised.

5. LONG-TERM LOANS

R million	30 June 2020	2019
20 000 Class A 7.5% cumulative redeemable preference shares	3 507	3 488
10 000 Class B 8.3% cumulative redeemable preference shares	4 313	4 312
Exchangeable bonds with an effective interest rate of 4.5% (maturity at 22 March 2021)	7 468	6 117
Various other loans	7 456	7 205
	22 744	21 122
Short-term portion of long-term loans	(7 577)	(102)
	15 167	21 020

	2020	2019
6. ADDITIONS TO AND REPLACEMENT OF PROPERTY, PLANT AND EQUIPMENT	2 976	2 543
7. CAPITAL AND INVESTMENT COMMITMENTS[1] (Including amounts authorised, but not yet contracted for)	2 299	5 204
8. GUARANTEES AND CONTINGENT LIABILITIES[2]	3 353	5
9. DIVIDENDS RECEIVED FROM EQUITY ACCOUNTED INVESTMENTS SET OFF AGAINST INVESTMENTS	2 620	3 615
10. REFER TO "INVESTMENT ACTIVITIES" UNDER "GROUP FINANCIAL REVIEW" FOR MORE DETAIL ON RELATED PARTY TRANSACTIONS.		

1. *The comparative year includes an investment commitment of R1.3 billion to Milestone China Opportunities Fund IV which subsequently lapsed.*
2. *Remgro issued a guarantee to Rand Merchant Bank for a loan facility, which was granted to CIVH to fund the Vumatel acquisition. Remgro's exposure at 30 June 2020 amounted to R3 329 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).

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 2020				
ASSETS				
Non-current assets				
Financial assets at FVOCI	**10 542**	**101**	**1 963**	**12 606**
Financial assets at FVPL	**-**	**-**	**309**	**309**
Current assets				
Financial assets at FVPL	**-**	**11**	**-**	**11**
Investment in money market funds	**4 945**	**-**	**-**	**4 945**
	15 487	**112**	**2 272**	**17 871**
LIABILITIES				
Current instruments at FVPL	**-**	**279**	**-**	**279**
	-	**279**	**-**	**279**
30 June 2019				
ASSETS				
Non-current assets				
Financial assets at FVOCI	1 532	14	2 181	3 727
Financial assets at FVPL	-	-	147	147
Current assets				
Financial assets at FVPL	-	7	141	148
Investment in money market funds	5 175	-	-	5 175
	6 707	21	2 469	9 197
LIABILITIES				
Non-current instruments at FVPL	-	1	-	1
Current instruments at FVPL	-	54	-	54
	-	55	-	55

GROUP FINANCIAL STATEMENTS (continued)

FAIR VALUE REMEASUREMENTS (continued)

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 on 1 July 2019	2 181	288	2 469
Additions	136	132	268
Disposals	(691)	(141)	(832)
Exchange rate adjustment	284	-	284
Fair value adjustments through other comprehensive income	53	-	53
Fair value adjustments through profit and loss	-	30	30
Balances on 30 June 2020	1 963	309	2 272

Level 3 financial assets consist mainly of investments in the Milestone China entities (Milestone) and the Pembani Remgro Infrastructure Fund (PRIF) amounting to R1 299 million and R341 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 (13%), cash and cash equivalents (2%), and unlisted investments (85%). Unlisted investments included at transaction prices in Milestone's fair value amounted to R988 million, while its remaining three unlisted investments were valued at R117 million. PRIF's main assets are the investments in ETG Group, Octotel, RSAWeb, Lumos Global, Solar Saver, GPR Leasing and Icolo. 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.

Changes in the valuation assumptions of the above unlisted investments will not have a significant impact on Remgro's financial statements as the underlying assets of the funds in which Remgro made its investments are widely spread.

12. SEGMENT REVENUE

R million	Year ended 30 June 2020	2019
Consumer products		
Distell	22 370	26 180
RCL Foods	27 659	25 786
Siqalo Foods	2 712	2 626
Industrial		
Wispeco	1 991	2 376
Total revenue	54 732	56 968

GROUP FINANCIAL STATEMENTS (continued)

SEGMENT REVENUE (continued)

Disaggregated revenue information

R million	Year ended 30 June 2020	2019
Distell		
Spirits	8 942	9 263
Wine	5 656	7 179
Cider and RTDs	7 725	9 714
Other	47	24
	22 370	26 180
RCL Foods[1]		
Groceries	4 984	4 832
Baking	5 195	5 061
Chicken	8 814	8 632
Sugar	7 622	6 613
Vector	2 589	2 183
Sales between RCL Foods' business units	(1 566)	(1 535)
Group	166	102
	27 804	25 888
Siqalo Foods		
Spreads	2 712	2 626
Wispeco		
Extrusions and related products	1 721	2 135
Other	270	241
	1 991	2 376
Elimination of intersegment revenue	(145)	(102)
Total revenue	54 732	56 968

1. *RCL Foods restructured their segments in September 2019, resulting in the revision of segments disclosures.*

Remgro Limited

DIRECTORATE

Non-executive directors
Johann Rupert *(Chairman)*, J Malherbe *(Deputy Chairman),*
F Robertson* *(Deputy Chairman)*, S E N De Bruyn*, P K Harris*,
N P Mageza*, P J Moleketi*, M Morobe*, P J Neethling,
G G Nieuwoudt*, K M S Rantloane* *(Alternate)*, A E Rupert
(* *Independent*)

Executive directors
J J Durand (*Chief Executive Officer*),
M Lubbe, N J Williams

CORPORATE INFORMATION

Secretary
D I Dreyer

Listing
JSE Limited
Sector: Financials – Financial Services – Investment Banking and Brokerage Services – Diversified Financial Services

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Transfer Secretaries
Computershare Investor Services Proprietary Limited,
Rosebank Towers, 15 Biermann Avenue, Rosebank 2196
(Private Bag X9000, Saxonwold 2132)

Auditors
PricewaterhouseCoopers Inc.
Stellenbosch

Sponsor
Rand Merchant Bank (A division of FirstRand Bank Limited)

Website
www.remgro.com