

RMB Holdings Limited
(Incorporated in the Republic of South Africa)
Registration Number: 1987/005115/06
Share Code: RMH
ISIN: ZAE000024501
("RMH" or the "Company")

Brightbridge Real Estate Limited
(Incorporated in the Republic of Cyprus)
Registration Number: HE 358015
("Brightbridge")

JOINT FIRM INTENTION ANNOUNCEMENT AND CATEGORY 1 TRANSACTION ANNOUNCEMENT IN RESPECT OF THE PROPOSED DISPOSAL OF RMH PROPERTY HOLDCO 2 PROPRIETARY LIMITED'S ENTIRE SHAREHOLDING AND LOAN CLAIMS IN ATTERBURY EUROPE HOLDING B.V. TO BRIGHTBRIDGE

1. INTRODUCTION

RMH shareholders (**Shareholders**) are hereby advised that RMH, RMH Property Holdco 2 Proprietary Limited, a subsidiary of RMH, (**RMH Property**) and Brightbridge Real Estate Limited (**Brightbridge**) have entered into a disposal and implementation agreement (the **Agreement**). Pursuant to the Agreement, all the shareholder loan claims (**Loan Claims**) and the A ordinary shares held by RMH Property in Atterbury Europe Holding B.V. (**Atterbury Europe**) (representing 37.5% of the total issued A ordinary shares in Atterbury Europe) (**Sale Shares**) will be sold to Brightbridge for the purchase consideration set out in paragraph 5.2 (**Purchase Consideration**) and on terms and conditions customary for transactions of this nature (the **Disposal**).

2. RATIONALE FOR THE DISPOSAL

RMH expanded its investment strategy in 2016 to include a property investment business, RMH Property, alongside its 34.1% investment in FirstRand Limited (**FirstRand**). This expansion involved establishing a diversified portfolio of scalable entrepreneur-led businesses with proven track records in developing and managing unlisted property portfolios.

In 2019, the RMH board of directors (**RMH Board**) took the decision to unbundle RMH's shareholding in FirstRand (the **Unbundling**), which Unbundling was completed in 2020 and resulted in Shareholders remaining with sole exposure to RMH Property's established, geographically-diverse property portfolio.

At the time of the Unbundling, the RMH Board communicated the strategic intention to continuously assess options to monetise the RMH Property Holdings Proprietary Limited (**RMH Property Holdings**) portfolio in an orderly manner over time, including if appropriate through the disposal of RMH Property Holdings' individual portfolio companies.

Brightbridge, as an existing shareholder of Atterbury Europe, is the most suitable acquirer of RMH Property's interest in Atterbury Europe as part of this monetisation strategy, particularly in view of their deep knowledge of the businesses and contractual arrangements within the Atterbury Europe group. Accordingly, having considered all relevant quantitative and qualitative factors, the RMH Board has concluded that the Disposal is aligned with RMH's monetisation strategy to realise value for Shareholders.

3. DESCRIPTION OF THE BUSINESS OF THE PURCHASER

Brightbridge is an investment holding and real estate services company based in Nicosia, Cyprus, and was founded in 2014 by a consortium of private equity investors with a focus on providing property, asset management and development management services as well as holding or managing real estate investments in Cyprus and Eastern Europe.

For purposes of the Companies Act No. 71 of 2008 (**Companies Act**) and the Companies Regulations, 2011 (**Companies Regulations**), Brightbridge constitutes an "offeror" and there is no party that is acting in concert with Brightbridge in relation to the Disposal.

4. DESCRIPTION OF THE BUSINESS OF ATTERBURY EUROPE

Atterbury Europe is a private company that was incorporated in accordance with the laws of the Netherlands in 2014 to be an Eastern European focused property investment and services company.

Atterbury Europe's property portfolio is comprised of a combination of investments and developments. Atterbury Europe partners with leading property developers and entrepreneurs in each of the markets that it is invested in and contributes world-class development and asset management skills into these partnerships. These partnerships allow Atterbury Europe to obtain in-country expertise and local insights, which allow it to successfully source property development opportunities that enable it to deliver superior returns to shareholders.

Atterbury Europe has demonstrated that it is well-positioned to take advantage of property development opportunities in the Eastern European market over the long-term, given the strength of its partnerships and its ability to raise debt capital to fund growth optimally.

5. SALIENT TERMS OF THE DISPOSAL

5.1 GENERAL

The Disposal is subject to the fulfilment or waiver (to the extent permissible) of the conditions precedent set out in paragraph 5.4 below (**Conditions Precedent**).

In addition, the Disposal will be implemented, in accordance with applicable Dutch and South African laws and the provisions of the Agreement, which include, *inter alia*, the following:

- 5.1.1 On the effective date, being one business day following the day on which the Conditions Precedent have all been fulfilled or waived (as the case may be) (the **Effective Date**), RMH Property will sell and Brightbridge will purchase the Loan Claims and Sale Shares for the Purchase Consideration;
- 5.1.2 Pursuant to the execution of the notarial deed of transfer of the Sale Shares before a civil notary of Buren N.V., the Sale Shares will be transferred and ownership of, all risk in, and all benefit attaching to, the Sale Shares will pass to Brightbridge on the Effective Date;
- 5.1.3 RMH Property will assign by means of a (partial) transfer of contract (contractsoverneming) pursuant to section 6:159 of the Dutch Civil Code (Burgerlijk Wetboek) the Loan Claims to Brightbridge, which (partial) transfer of contract will be accepted by Brightbridge and accordingly the Loan Claims will be transferred and ownership of, all risk in and all benefit attaching to the Loan Claims will pass to Brightbridge on the Effective Date; and

- 5.1.4 The sale, purchase and transfer of the Sale Shares referred to in paragraph 5.1.2 and the assignment of the Loan Claims referred to in paragraph 5.1.3 constitutes one indivisible transaction.

5.2 PURCHASE CONSIDERATION

- 5.2.1 The Purchase Consideration amounts to ZAR1 750 000 000 and is payable by Brightbridge to RMH Property on the Effective Date.
- 5.2.2 The Purchase Consideration will be settled by Brightbridge, in cash, by way of electronic funds transfer, free of any deductions or set-off whatsoever, in the currency of the Republic of South Africa and into a bank account nominated by RMH Property.
- 5.2.3 No securities will form part of the consideration for the Disposal. As detailed more fully in paragraph 8 below, Shareholders are advised that an unconditional and irrevocable bank guarantee has been issued by FirstRand Bank Limited (acting through Rand Merchant Bank) for the Purchase Consideration in accordance with the Companies Regulations.

5.3 APPLICATION OF THE DISPOSAL PROCEEDS

Following the review and consideration of its capital requirements, the Company will aim to maximise the value returned to Shareholders, likely in the form of another special dividend. Shareholders will be informed on SENS regarding any such special dividend which, if applicable, would be made in accordance with the JSE Limited Listings Requirements (**JSE Listings Requirements**), the Companies Act, and the memorandum of incorporation of the Company.

5.4 CONDITIONS PRECEDENT

The Disposal is subject to the fulfilment or waiver (to the extent permissible) of the Conditions Precedent which are:

- 5.4.1 By not later than 17h00 on 31 July 2022, the Disposal has been approved by a special resolution of the sole shareholder of each of RMH Property, RMH Property Holdings, and RMH Asset Holding Company Proprietary Limited, as required by section 112(2) read with section 115 of the Companies Act;
- 5.4.2 By not later than 17h00 on 31 August 2022, the Disposal has been approved by special resolution by the requisite majority of Shareholders, in accordance with section 115(2)(b), read with section 112, of the Companies Act (the **Disposal Resolution**) and by ordinary resolution of the requisite majority of Shareholders as contemplated under the JSE Listings Requirements as contemplated in paragraph 7.1 below;
- 5.4.3 By not later than 17h00 on 30 September 2022, to the extent required under section 115(3) of the Companies Act, approval of the implementation of the Disposal Resolution by the Court is obtained and, if applicable, RMH not having treated the Disposal Resolution as a nullity (which it may not do unless it has obtained Brightbridge's prior written consent), as contemplated in section 115(5)(b) of the Companies Act;
- 5.4.4 As at 12h00 on the business day immediately following the last day on which a Shareholder may deliver a demand to RMH in terms of section 164(5) of the Companies Act, within the time period contemplated in section 164(7) of the Companies Act, for payment of the fair value of its shares (**Valid Demand**), RMH has not received Valid

Demands from Shareholder(s) holding in aggregate more than 5% of all the ordinary shares with a par value of R0.01 each in the share capital of RMH, all of which are listed on the exchange operated by the JSE Limited (**RMH Shares**);

5.4.5 As at 17h00 on the date on which the last of the conditions precedent in paragraphs 5.4.1 to 5.4.4 has been fulfilled or, where appropriate, waived (**MAE Deadline**), no Material Adverse Event (which means that Russia commences war, military operations, or an invasion against a NATO country, whether as a consequence of Russia's war against Ukraine or not, which shall be deemed to have the effect of being materially adverse with regard to the operations, continued existence, business, condition, assets and/or liabilities of the Atterbury group and its investee companies) has occurred (and for clarity, it is noted that Brightbridge may, on written notice (**MAE Termination Notice**) given to RMH at any time prior to the MAE Deadline, require the Disposal and the Agreement be terminated at any time prior to such time, if a Material Adverse Event has occurred and is continuing at the relevant time), it being agreed that this condition precedent shall be regarded as having been fulfilled unless (i) Brightbridge has informed RMH by not later than the MAE Deadline that this condition precedent has not been fulfilled; or (ii) if Brightbridge has delivered a MAE Termination Notice by the MAE Deadline; and

5.4.6 By not later than 17h00 on 30 September 2022, the issue of a compliance certificate by the Takeover Regulation Panel (**TRP**) in terms of section 119(4)(b) of the Companies Act, which compliance certificate will only be issued by the TRP once all the Conditions Precedent have been fulfilled or waived, as the case may be.

5.5 **EFFECTIVE DATE OF THE DISPOSAL**

Subject to the fulfilment or waiver of the Conditions Precedent, the Effective Date of the Disposal is expected to occur on or about 7 September 2022.

5.6 **OTHER SIGNIFICANT TERMS**

5.6.1 The Agreement contains warranties, indemnities and undertakings by Brightbridge in favour of RMH and RMH Property and by RMH and RMH Property in favour of Brightbridge, which are customary for a transaction of this nature.

5.6.2 Shareholders are advised that, following the Disposal, Mr BM Roberts who serves as a director of Atterbury Europe and is a prescribed officer of RMH (as well as a director of RMH Property) will resign from Atterbury Europe, and will accordingly deliver a copy of his resignation letter as director of Atterbury Europe to Brightbridge on the Effective Date, executed as a deed and acknowledging that he has no claim against Atterbury Europe.

6. **FINANCIAL INFORMATION**

6.1 The value of the net assets of Atterbury Europe was ZAR5 972 million as at 31 March 2022, being the date of the last published audited annual financial statements for RMH, which were prepared in accordance with International Financial Reporting Standards.

6.2 The profits attributable to Atterbury Europe was ZAR1 414 million for the year ended 31 March 2022, being the date of the last published audited annual financial statements for RMH.

6.3 Shareholders are cautioned that no adjustments have been made to the valuations to reflect the impact of any volatility and uncertainty of the development-focused property

businesses of Atterbury Europe, which are based on the last published audited annual financial statements for RMH, as at 31 March 2022. There are factors which may impact the volatility and uncertainty involved in valuing the development-focused property businesses, which include, inter alia, the current EUR / ZAR exchange rate; current interest rate cycle in both South Africa and the Europe; and timing of the realisation of assets.

6.4 Shareholders are advised that:

6.4.1 the financial disclosures set out in this paragraph 6 are provided as at the last practicable date of finalisation of this announcement, being 23 June 2022 (**Last Practicable Date**);

6.4.2 RMH published its audited annual financial statements for the year ended 31 March 2022 (**FY 2022 Results**) on or around 24 June 2022; and

6.4.3 to ensure that Shareholders have access to current financial information to consider in relation to the Disposal, Shareholders should acquaint themselves with the FY 2022 Results.

6.5 The *pro forma* financial effects of the Disposal are the responsibility of the RMH Board and have been prepared for illustrative purposes only to provide information about how the Disposal may have affected RMH's year end results and financial position for the year ended 31 March 2022 and, because of their nature, may not give a fair presentation of the RMH financial position, changes in equity, results of operations or cash flows after the Disposal nor the effect of the Disposal on RMH's results of operations.

6.6 The summarised *pro forma* financial effects have been prepared in a manner consistent in all respects with International Financial Reporting Standards (**IFRS**), the accounting policies adopted by RMH as at 31 March 2022 and the Revised SAICA Guide on Pro Forma Financial Information and the JSE Listings Requirements. Shareholders are advised that the *pro forma* financial effects of the Disposal are as follows as at 31 March 2022:

(Cents)	Before ¹	Pro forma After	% change
Earnings/(Loss) per share	43,9	(33,0)	(>100)
Headline earnings per share	4,0	2,6	(35,0)
Net asset value per share	277,0	239,4	(13,6)
Net tangible asset value per share	277,0	239,4	(13,6)
Weighted average shares(millions)	1 392,0	1 392,0	-
Number of shares in issue(millions)	1 411,7	1 411,7	-

Notes:

1. Based on RMH's published audited financial results for the year ended 31 March 2022.
2. Earnings and headline earnings per share are based on the following principal assumptions:
 - a. the Disposal was effective 1 April 2021.

- b. R18 million (including VAT) for the settlement of transaction costs.
- c. An assumption was made that the Atterbury Europe Loan Claim was settled effective 1 April 2021. The fair value movement for the year ended 31 March 2022 (loss of R1 million) is reversed in the unaudited proforma income statement.
- d. Historically the Atterbury Europe results was equity accounted in RMH's financial information the impact of the sale on the audited summary financial results represents the reversal of the equity accounted earnings (R541 million) for the year ended 31 March 2022 and the recognition of a loss on the sale of Atterbury Europe.
- e. The estimated loss after tax referred to above is non-recurring and is calculated at R512 million. This profit has been calculated with reference to the Purchase Consideration of R1 750 million less the settlement of the Loan Claim (R23 million) less a historic carrying value of R2 239million and a estimated CGT of R nil million. CGT of nil is payable this is in terms of the exemption of section 64(B) of the Eight Schedule of the Income tax Act. The actual profit will be calculated on the Effective Date.
- 3. Net asset and net tangible asset value per share effects are based on the following principal assumptions:
 - a. The Disposal was effective 31 March 2022;
 - b. Transactions costs are settled from the proceeds of the Disposal.
- 4. No subsequent event occurred which require adjustment to the pro forma financial effects.
- 5. For the utilisation of the proceeds of the Disposal refer to paragraph 5.3 above.

7. CATEGORISATION OF THE DISPOSAL

- 7.1 As the value of the Disposal exceeds the 30% percentage ratio outlined in paragraph 9.5 of the JSE Listings Requirements, it meets the definition of a category 1 transaction as contemplated in Section 9 of the JSE Listings Requirements. As a result, the Disposal is required to be adopted by way of an ordinary resolution of the Shareholders, which will require the support of more than 50% of the votes exercised on it.
- 7.2 In addition, having regard to the consolidated financial statements of RMH, the Disposal constitutes a disposal of all or the greater part of the assets or undertaking of RMH as contemplated in section 112 of the Companies Act. As a result, the Disposal requires Shareholder approval by way of a special resolution in accordance with sections 112 and 115(2)(b) of the Companies Act, which will require the support of more than 75% of the votes exercised on it, excluding any voting rights controlled by an acquiring party, a person related to an acquiring party, or a person acting in concert with either of them.
- 7.3 The Disposal also constitutes an "affected transaction" as defined in section 117(1)(c)(i) of the Companies Act. Consequently, the Disposal is regulated by the Companies Act and the Companies Regulations and requires the approval of the TRP.
- 7.4 The Disposal is not made to a related party and there are accordingly no related party transaction implications in terms of the JSE Listings Requirements.

8. UNCONDITIONAL AND IRREVOCABLE BANK GUARANTEE

- 8.1 In accordance with regulation 111(4) and 111(5) of the Companies Regulations, Brightbridge has delivered an unconditional and irrevocable bank guarantee issued by FirstRand Bank Limited (acting through Rand Merchant Bank) to the TRP for an amount of ZAR1 750 000 000 (one billion and seven hundred and fifty million Rand).
- 8.2 This guarantee confirms that, if the amounts due in respect of the Purchase Consideration are not paid within the relevant time period, FirstRand Bank Limited agrees to make payment of the relevant amount. Payment under the guarantee is subject to the Disposal being implemented in accordance with the terms and conditions set out in this firm intention announcement.

9. BENEFICIAL INTERESTS IN THE COMPANY

As at the Last Practicable Date:

- 9.1 no irrevocable commitments to vote in favour of the Disposal have been sought from or provided by Shareholders;
- 9.2 as mentioned in paragraph 3 above, no person is acting in concert with Brightbridge in relation to the Disposal; and
- 9.3 consequently, the Board is not aware of any beneficial interest in RMH:
- 9.3.1 held or controlled, directly or indirectly by Brightbridge, or persons acting in concert with Brightbridge or persons which have furnished irrevocable commitments to vote in favour of the Disposal; or
- 9.3.2 in respect of which Brightbridge or persons acting in concert with Brightbridge holds any option to purchase.

10. CIRCULAR

A circular setting out the full details of the terms of the Disposal (**Circular**) is expected to be distributed to Shareholders on or about Monday, 25 July 2022. The Circular will, *inter alia*, incorporate a notice convening a general meeting of Shareholders (**General Meeting**) at which Shareholders will be requested to consider, and if deemed fit, to pass, with or without modification the relevant resolutions required to approve the Disposal.

11. SALIENT DATES AND TIMES

	2022
Firm intention announcement regarding the Disposal published on SENS on	Friday, 24 June
RMH FY 2022 Results published on SENS on	Friday, 24 June
Firm intention announcement regarding the Disposal published in the South African press on	Monday, 27 June
Record date for Shareholders to be recorded in the Register in order to receive the Circular	Friday, 15 July
Circular incorporating the notice of General Meeting and form of proxy (<i>grey</i>), distributed to Shareholders and announcement thereof on SENS on	Monday, 25 July
Last day to trade in RMH Shares in order to be recorded in the Register to attend, participate in and vote at the General Meeting	Monday, 8 August
Record date for a Shareholder to be registered in the Register in order to be eligible to attend and participate in the General Meeting and to vote thereat, by close of trade on	Friday, 12 August
For administrative reasons, forms of proxy (<i>grey</i>) in respect of the General Meeting to be received by Computershare Investor Services Proprietary Limited (Transfer Secretaries) by no later than 10:00 on	Friday, 19 August
Last date and time for Shareholders to give notice in terms of section 164(3) of the Companies Act to RMH, objecting to the special resolution approving the Disposal by no later than 10:00 on	Tuesday, 23 August

2022

Forms of proxy (<i>grey</i>) not lodged with the Transfer Secretaries to be handed to the chairman of the General Meeting or the Transfer Secretaries at the General Meeting at any time before the proxy exercises any rights of the Shareholder at the General Meeting on	Tuesday, 23 August
-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------	--------------------

General Meeting held at 10:00 on	Tuesday, 23 August
-----------------------------------------	--------------------

Results of the General Meeting published on SENS on	Tuesday, 23 August
-----------------------------------------------------	--------------------

If the Disposal is approved by Shareholders at the General Meeting:

Last date on which Shareholders who voted against the Disposal Resolution may require RMH to seek Court approval in terms of section 115(3)(a) of the Companies Act, but only if the Disposal Resolution was opposed by at least 15% of the voting rights exercised thereon, on	Tuesday, 30 August
---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------	--------------------

Last date on which Shareholders who voted against the Disposal Resolution can make application to the Court for leave to apply to the Court to review the Disposal in terms of section 115(3)(b) of the Companies Act on	Tuesday, 6 September
--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------	----------------------

Last date for RMH to send dissenting Shareholders notices of the adoption of the special resolution approving the Disposal, in terms of section 164 of the Companies Act, on	Tuesday, 6 September
------------------------------------------------------------------------------------------------------------------------------------------------------------------------------	----------------------

Assuming that all the Conditions Precedent are fulfilled or waived (to the extent legally permissible) and that neither Court approval nor the review of the Disposal is required:

Receipt of the TRP compliance certificate in respect of the Disposal	Wednesday, 7 September
----------------------------------------------------------------------	------------------------

Finalisation announcement in respect of the Disposal expected to be published on SENS on	Wednesday, 7 September
------------------------------------------------------------------------------------------	------------------------

NOTES

- i. The above dates and times are subject to amendment at the discretion of RMH, subject to the approval of the TRP and/or the JSE, if required. Any such amendment will be released on SENS.
- ii. Shareholders should note that as transactions in RMH Shares are settled in the electronic settlement system used by Strate Proprietary Limited, settlement of trades take place three South African business days after such trade. Therefore, Shareholders who acquire RMH Shares after close of trade on Monday, 8 August 2022 will not be eligible to attend, participate in and vote at the General Meeting.
- iii. There will be no rematerialisation or dematerialisation between Wednesday, 10 August 2022 and Friday, 12 August 2022, both days inclusive, as the Register will be closed for this period.
- iv. If the General Meeting is adjourned or postponed, the above dates and times will change, but forms of proxy submitted for the initial General Meeting will remain valid in respect of any such adjournment or postponement of the General Meeting.
- v. Although the important dates and times are stated to be subject to change, such statement may not be regarded as consent or dispensation for any change to time periods which may be required in terms of the Companies Act, the Companies Regulations and the JSE Listings Requirements, where applicable, and any such consents or dispensations must be specifically applied for and granted.
- vi. All dates and times indicated above are South African Standard Time.

12. **INDEPENDENT BOARD, INDEPENDENT EXPERT AND FAIR AND REASONABLE OPINION**

- 12.1 In accordance with the provisions of the Companies Act and the Companies Regulations, RMH has constituted an independent board (**Independent Board**) for purposes of assessing the terms of the Disposal, as well as advising Shareholders thereon. The Independent Board comprises James Teeger, Murphy Morobe, Mamongae Mahlare, Per Lagerstrom and Sonja De Bruyn.
- 12.2 The Independent Board has appointed Investec Bank Limited, acting through its Investment Banking Division: Corporate Finance, to act as the independent expert (**Independent Expert**), as required in terms of section 114(2) of the Companies Act, to issue a report dealing with the matters set out in Sections 114(2) and 114(3) of the Companies Act and Regulation 90 and 110 of the Companies Regulations, in respect of its opinion on whether the terms and conditions of the Disposal are fair and reasonable to Shareholders (**Independent Expert's Report**). The Independent Expert's Report as well as the Independent Board's opinion on the terms of the Disposal will be detailed in the Circular referred to in paragraph 10 above.

13. **RESPONSIBILITY STATEMENTS**

- 13.1 The Independent Board of RMH, individually and collectively accepts full responsibility for the accuracy of the information contained in this announcement. In addition, the Independent Board confirms that to the best of its knowledge and belief, the information contained in this announcement, is true and correct and, where appropriate, does not omit anything that is likely to affect the importance of the information contained herein, and that all reasonable enquiries to ascertain such information has been made.
- 13.2 The board of directors of Brightbridge, individually and collectively accepts full responsibility for the accuracy of the information contained in this announcement, in so far as it relates to Brightbridge. In addition, the board of directors of Brightbridge confirms that to the best of its knowledge and belief, the information contained in this announcement, as it relates to Brightbridge, is true and correct and, where appropriate, does not omit anything that is likely to affect the importance of the information contained herein, and that all reasonable enquiries to ascertain such information has been made.

Sandton
24 June 2022

Sponsor
Rand Merchant Bank, a division of FirstRand Bank Limited

Legal Advisor to RMH
Webber Wentzel

Legal Advisor to Brightbridge
White & Case Inc and Cliffe Dekker Hofmeyr Inc

Independent Expert
Investec Bank Limited, acting through its Investment Banking Division: Corporate Finance